LAW OF THE SEA BULLETIN

SPECIAL ISSUE III

REGISTRATION OF PIONEER INVESTORS IN THE INTERNATIONAL SEABED AREA IN ACCORDANCE WITH RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA

SEPTEMBER 1991

THE LAW OF THE SEA · LE DROIT DE LA MER · UNITED NATIONS · NATIONS UNIES

OFFICE FOR OCEAN AFFAIRS AND THE LAW OF THE SEA

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INTRODUCTION

Special Issue III of the Law of the Sea Bulletin is devoted entirely to the decisions taken by the Preparatory Commission for the International Seabed Authority and for the International Tribunal for the Law of the Sea (the Preparatory Commission) regarding the registration of pioneer investors in the international seabed area. It includes the relevant documents relating to the applications and the registration of the first group of applicants (India, France, Japan and the Union of Soviet Socialist Republics) as well as the subsequent applicants (China and the Group of Socialist States: Bulgaria, Cuba, Czech and Slovak Federal Republic, Poland and USSR). This special issue thus expands and updates Special Issue II of the Law of the Sea Bulletin issued in April 1988.

The year 1987 was marked by a series of very important events in the development of a new legal order for the oceans, particularly in relation to the international seabed area and the exploration and exploitation of the deep seabed: (1) The last conflicts with respect to overlapping claims were resolved by means of an agreement signed on 14 August, clearing the way for the registration of pioneer investors; (2) on 17 August, the Government of India was registered as the first pioneer investor; and (3) on 17 December, the Governments of France, Japan and the USSR were also registered as pioneer investors.

Resolution II of the Third United Nations Conference on the Law of the Sea (see annex I) identified four States - India, France, Japan and the Union of Soviet Socialist Republics - and four multinational consortia, composed of companies from Belgium, Canada, the Federal Republic of Germany,* Italy, Japan, the Netherlands, the United Kingdom of Great Britain and Northern Ireland and the United States of America, as pioneer investors, having the right to register their claims to pioneer areas with the Preparatory Commission. According to paragraph 2 of the resolution, only the States which have signed the Convention, on their behalf or on behalf of any State enterprise or entity or natural or juridical person, may apply for registration as a pioneer investor. The States named and the consortia all had to meet the condition established for granting pioneer investor status: the expenditure by 1 January 1983 of at least $US 30 million, of which at least 10 per cent had to be spent in locating, surveying and evaluating a mining area. In addition, resolution II identified a third category of pioneer investor, namely any developing State, or its enterprise, which has expended the above-mentioned levels of expenditure before 1 January 1985.

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* Through accession of the German Democratic Republic to the Federal Republic of Germany with effect from 3 October 1990, the two German States united to form one sovereign State. As from the date of unification, the Federal Republic of Germany has acted under the designation "Germany".

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Pioneer investors, following registration with the Preparatory Commission, are granted under resolution II, paragraph 6, exclusive rights to engage in pioneer activities, as defined in paragraph 1 (b), within the pioneer area up to six months after the Convention enters into force, at which time they have to apply for approval of a plan of work in the form of a contract for exploration and/or exploitation.

Resolution II requires all applicants for registration as pioneer investors to resolve any overlapping claims before registration. The potential for overlapping claims was high, owing to two factors stemming from the nature of the resource itself. First, although there are extensive deposits of nodules throughout the world's oceans, scientific indicators had pointed quite early to one region of the north-eastern Pacific in which the nodules were of economic interest - an area running east to west from Hawaii to Baja California, and north to south between the Clarion and Clipperton fracture zones. Secondly, nodules lie in a monolayer, and therefore the claim sites must be extensive in two directions.

Resolution II sets an upper limit of 150,000 square kilometres for each pioneer area. It also requires compliance with the parallel system, under which each applicant would submit two areas of equal estimated commercial value, one of which would be reserved for the International Seabed Authority. It further provides that each applicant would relinquish half of its pioneer area over an eight-year period, reducing it to no more than 75,000 square kilometres.

On 17 December 1984, at Geneva, an exchange of coordinates took place among the four States - India, France, Japan and the USSR - that had submitted applications for registration as pioneer investors to the Preparatory Commission. Those States met in accordance with a timetable agreed upon during the previous session of the Preparatory Commission. At the meeting, it was noted that India, which was the only claimant in the Indian Ocean, had no overlap. On the other hand, France, Japan and the Soviet Union, all of which had claims between the Clipperton and Clarion fractures in the north-eastern Pacific Ocean, found that areas claimed by each had certain overlaps. More specifically, there was an overlap between the application areas of Japan and the Soviet Union. France and Japan were known to have resolved their overlaps prior to the submission of their respective applications. It also became apparent that the application area of the Soviet Union would overlap with those claimed by three potential applicants (multinational consortia) for registration as pioneer investors. At the 1985 spring session of the Preparatory Commission, it was reported that while it was possible to resolve the Japanese/Soviet overlap, this was provisional and depended upon the resolution of the overlap between France and the Soviet Union which was more extensive and therefore more difficult. Accordingly, the Preparatory Commission requested its Chairman, in the exercise of his good offices, to assist the applicants in their ongoing negotiations to resolve the conflicts. The efforts of the Chairman and the applicants culminated in the Arusha Understanding of 7 February 1986.

The Arusha Understanding resolved the conflicts between France and the USSR and Japan and the USSR and maintained a balance among three interests: (1) those of the four applicants - France, Japan, the USSR and India; (2) those of States concerned with preserving the integrity of the Convention and the future Seabed Authority; and (3) those of potential applicants.*

Under the Arusha Understanding, France and the USSR and Japan and the USSR agreed to divide equally the respective areas of overlaps. They also agreed to relinquish areas before resolution II required them to do so in order to solve certain practical problems as well as to facilitate the resolution of conflicts between the claims of the USSR and France and the USSR and Japan as well as those between USSR and some of the potential applicants. In addition, the three applicants agreed to contribute areas adjacent to the overlapping areas totalling 52,300 square kilometres as part of the reserved area for the Authority. As a departure from resolution II, all applicants were also to be allowed to identify an area of up to 52,300 square kilometres each for incorporation by the Preparatory Commission in the area to be allocated respectively to the applicants.

The August-September 1986 meeting of the Preparatory Commission brought additional participants into the process: the Group of 77 and the Eastern European Group of Socialist States. Negotiations which ensued resulted in the New York Understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1; see annex II to the present publication).

Based primarily on the Arusha Understanding, the New York Understanding incorporated several additional elements to satisfy the different parties involved. For the Group of 77, there were two elements: an undertaking by the applicants to assist the Preparatory Commission in the exploration of a mine site for the first operation of the Enterprise on terms to be agreed upon following registration, and the extension, until the entry into force of the Convention, of the time-limit established in resolution II for the qualifying $30 million expenditure on pioneer activities for developing countries. Further, the Eastern European Group of Socialist States was given the right to apply for an additional pioneer area before the entry into force of the Convention. Finally, the group of potential applicants as pioneer investors was granted the right to equal treatment to that given to the first group of applicants if they should submit their applications for registration as pioneer investors.

At the spring meeting of the fifth session of the Preparatory Commission, it was agreed that, unless the Preparatory Commission decided otherwise, the 15-member Group of Technical Experts, established in accordance with the Understanding of 5 September 1986, would convene at the beginning of the second week of the summer meeting in order to examine the applications submitted for registration and submit a report to the General Committee, which would also be convened during the summer meeting. (The General Committee acts as the executive body on behalf of the Preparatory Commission for the purpose of registration.) It was further agreed that, while India, which had no conflicts with respect to overlapping claims, could be registered separately, France, Japan and the Soviet Union were to be considered and registered jointly (Statement of Understanding of 10 April 1987, LOS/PCN/L.43/Rev.1; see annex III to the present publication).

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* The expression "potential applicant" is used to designate the Western multinational consortia which possess the nationality or are controlled by the nationals of the following States: Belgium, Canada, Germany, Italy, Japan, the Netherlands, the United Kingdom and the United States (see resolution II, paragraph 1 (a) (ii)).

When the summer session of 1987 started, there were still conflicts with respect to overlapping claims to be resolved between the Soviet Union and the potential applicants, and the registration process was delayed. On 3 August, a major breakthrough was achieved. The Preparatory Commission had been informed by the first group of applicants and the potential applicants that a comprehensive settlement of practical problems had been achieved (LOS/PCN/90 and 91; see annexes IV and V). This was followed by the signature on 14 August of an agreement on the resolution of practical problems with respect to deep seabed mining areas (see annex VI). This agreement represents a remarkable accommodation of two groups of interests: (i) the interests of the signatories to the United Nations Convention on the Law of the Sea, who want to promote an orderly development of the deep seabed mineral resources through the provisional regime as established by resolution II of the Third United Nations Conference on the Law of the Sea, pending the entry into force of the Convention; and (ii) the interests of the potential applicants, including certain States which have not signed the Convention (Germany, the United Kingdom and the United States). The Secretary-General hailed the resolution of conflicts between the first group of applicants and the potential applicants as "one of the most significant developments in the law of the sea since the adoption of the Convention" (see annex VII).

On 17 August 1987, the General Committee of the Preparatory Commission, acting on behalf of the Commission, decided to register India as the first pioneer investor in the international seabed area (LOS/PCN/94) on the basis of a report of the Group of Technical Experts (LOS/PCN/BUR/R.1).

Owing to a lack of time required to prepare revised applications, the date for the consideration of the applications of France, Japan and the Soviet Union had to be postponed (LOS/PCN/L.49; see annex VIII), and the Group of Technical Experts was reconvened from 23 November to 4 December 1987. A meeting of the General Committee was held from 7 to 18 December 1987 to consider the reports of the Group of Experts on the revised applications of France, Japan and the Soviet Union (LOS/PCN/L.55; see annex IX).

On 17 December 1987, the General Committee of the Preparatory Commission approved the applications of France, Japan and the USSR (LOS/PCN/97, 98 and 99, respectively) for registration as pioneer investors in the international seabed area on the basis of the reports of the Group of Technical Experts (LOS/PCN/BUR/R.2, 3 and 4).

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Together with the registration of India, the above action completed the registration of the first group of pioneer investors. Negotiations were conducted on the modalities of implementation of the obligations undertaken by the registered pioneer investors upon their registration. This led to an Understanding on the fulfilment of obligations by the registered pioneer investors, applying to the first group of four registered pioneer investors (LOS/PCN/L.87, annex; see annex X to the present publication).

In particular, that Understanding determines the scope of the training programme to be carried out by the four pioneer investors in accordance with the decisions taken by the Preparatory Commission. It also sets out the responsibilities of the three registered pioneer investors (France, Japan, the USSR) to explore an area reserved for the Authority in the North-East Pacific, composed of three sectors contributed by them. The work would be carried out in three phases, namely, a preparatory phase consisting of the compilation and harmonization of data, a stage I of the plan for exploration as determined by the Group of Technical Experts, and a stage II to be agreed upon following the completion of stage I and a review of the results obtained. The Understanding also includes a waiver of the obligations to pay $US 1 million per year upon registration by the pioneer investors provided that their obligations have been satisfactorily complied with.

India, which has its pioneer area in the South Central Indian Ocean, was to undertake, if so requested by the Preparatory Commission, a programme of exploration of one mine site for the Enterprise and as part of the overall understanding was granted the same waiver of $US 1 million as of the date of its registration.

Within three months of the deposit of the sixtieth instrument of ratification or accession, the Group of Technical Experts shall review the state of the deep seabed mining and make an assessment of the time when commercial production may be expected to commence. Should it conclude that commercial production will not take place for an extended period of time, the Preparatory Commission shall recommend to the Authority to maintain the waiver for a relevant period.

On 20 August 1990, the Government of the People's Republic of China submitted an application for the registration of the China Ocean Mineral Resources Research and Development Association as a pioneer investor (LOS/PCN/113). In order to consider the application, the Group of Technical Experts was convened from 10 to 14 December 1990 and submitted its report to the General Committee of the Preparatory Commission (LOS/PCN/BUR/R.7). On 5 March 1991, the General Committee approved the application of the Government of the People's Republic of China (LOS/PCN/117).

On 4 March 1991, the Governments of the Republic of Bulgaria, the Republic of Cuba, the Czech and Slovak Federal Republic, the Republic of Poland and the Union of Soviet Socialist Republics submitted an application for the registration of the Interoceanmetal Joint Organization as a pioneer investor (LOS/PCN/118 and 121). The Group of Technical Experts met from 1 to 5 July 1991 to consider the application and presented its reports to the General Committee of the Preparatory Commission (LOS/PCN/BUR/R.8). On 21 August 1991, the General Committee registered the Interoceanmetal Joint Organization as a pioneer investor (LOS/PCN/122).

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This publication presents the documents of the Preparatory Commission dealing with the registration of each of the applicants (applications for registration, reports of the Group of Experts, decisions of the General Committee), the official maps showing the locations of areas registered with the Preparatory Commission and, as annexes, the most relevant documents leading to the adoption of the final decisions to register six pioneer investors in the international sea-bed area.

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PART ONE. REGISTRATION OF THE FIRST GROUP OF APPLICANTS

I. REGISTRATION OF THE GOVERNMENT OF INDIA

A. RECEIPT OF APPLICATION FROM INDIA FOR REGISTRATION AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

Note by the Secretary-General

1. In accordance with the procedures and guidelines for registration of pioneer investors under resolution II of the Third United Nations Conference on the Law of the Sea, as contained in annex II of document LOS/PCN/27 dated 8 September 1983, the Secretary-General informs the Preparatory Commission that on 12 January 1984 he received from the Permanent Mission of India a letter dated 10 January 1984, submitting an application for the registration of India as a pioneer investor under the provisions of resolution II.

2. Two enclosures were submitted with that letter:

(a) An envelope marked "PART I - ENCLOSURES TO LETTER NO. NY/PM/240/1/83 DATED JANUARY 10, 1984 FROM THE ACTING PERMANENT REPRESENTATIVE OF INDIA TO THE UNITED NATIONS TO THE CHAIRMAN, PREPARATORY COMMISSION FOR THE INTERNATIONAL SEA-BED AUTHORITY AND FOR THE INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA";

(b) A package marked "PART II - ENCLOSURES TO LETTER NY/PM/240/1/83 DATED 10TH JANUARY, 1984 FROM THE ACTING PERMANENT REPRESENTATIVE OF INDIA TO THE UNITED NATIONS TO THE SECRETARY-GENERAL, UNITED NATIONS, NEW YORK".

3. The Government of the Republic of India signed the United Nations Convention on the Law of the Sea on 10 December 1982.

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* Originally issued under the symbol LOS/PCN/32.

RECEIPT OF A REVISED APPLICATION FROM THE GOVERNMENT OF INDIA FOR THE REGISTRATION AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

Note by the Secretary-General

In accordance with the statement on the implementation of resolution II (LOS/PCN/L.41/Rev.1, annex) adopted by the Preparatory Commission in New York on 5 September 1986 and the statement of understanding on the implementation of resolution II (LOS/PCN/L.43/Rev.1) adopted by the Preparatory Commission at Kingston on 10 April 1987, the Secretary-General hereby informs the Preparatory Commission that he received on 20 July 1987 from the Permanent Mission of India to the United Nations a note verbale of the same date, enclosing a revised application for the registration of India as a pioneer investor under the provisions of resolution II, governing preparatory investment in pioneer activities in the deep sea-bed relating to polymetallic nodules. The text of the note verbale is annexed hereto.

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* Originally issued under the symbol LOS/PCN/87.

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Annex

NOTE VERBALE DATED 20 JULY 1987 FROM THE PERMANENT MISSION OF INDIA TO THE UNITED NATIONS ADDRESSED TO THE SECRETARY-GENERAL

The Permanent Mission of India to the United Nations presents its compliments to the Secretary-General of the United Nations and has the honour to submit the revised application of the Government of India for registration and allocation of a pioneer area for pioneer activities relating to polymetallic nodules in accordance with paragraph 2 of the resolution governing the preparatory investment in pioneer activities relating to polymetallic nodules, adopted by the Third United Nations Conference on the Law of the Sea on 30 April 1982.

The Government of India would be grateful if this application could be brought to the attention of the Preparatory Commission for the International Sea-Bed Authority and for the International Tribunal for the Law of the Sea for registration as a pioneer investor and for the allocation of a pioneer area.

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B. REPORT OF THE GROUP OF TECHNICAL EXPERTS TO THE GENERAL COMMITTEE OF THE PREPARATORY COMMISSION FOR THE INTERNATIONAL SEA-BED AUTHORITY AND FOR THE INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA ON THE APPLICATION OF THE GOVERNMENT OF THE REPUBLIC OF INDIA FOR REGISTRATION AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

LETTER OF TRANSMITTAL

7 August 1987

Mr. José Luis Jesus
Chairman of the Preparatory Commission for
the International Sea-Bed Authority and
for the International Tribunal for the
Law of the Sea
New York, New York

Dear Mr. Chairman,

We, the members of the Group of Technical Experts, appointed by the Chairman of the Preparatory Commission to examine the application of the Government of the Republic of India for registration as a pioneer investor in accordance with resolution II of the Third United Nations Conference on the Law of the Sea, have the honour to submit the attached report to the General Committee. The Group of Experts has undertaken an examination of the application in accordance with its mandate and the attached report which was unanimously adopted contains the result of this examination.

The meeting was held at United Nations Headquarters in New York. The Group met between 3 and 7 August 1987 during which period the Group held nine sessions.

We regret that two members of the Group, Mr. Samuel Sona Betah (Cameroon) and Mr. Sulaiman Zuhdi Pane (Indonesia), were unable to attend this meeting. The Group wishes to express its appreciation for the co-operation of the representatives of the applicant, the Government of India.

The Group of Experts would like to thank you and the Preparatory Commission for the opportunity to assist on the matter of registration of India. The Group also wishes to draw to your attention the valuable contribution made by the Special Representative of the Secretary-General for the Law of the Sea,

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* Originally issued under the symbol LOS/PCN/BUR/R.1.

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Mr. Satya N. Nandan, and the Iaw of the Sea secretariat in providing assistance throughout our meetings.

Yours sincerely,

Signed in New York on 7 August 1987:

Zhang BINGXI
(People's Republic of China)

Alfredo José DA SILVA NETTO
(Brazil)

Igor Sergeevich GRAMBERG
(Union of Soviet Socialist Republics)

Knut S. HEIER
(Norway)

Takeshi IZUMI
(Japan)

H. H. E. KAMBAILA
(Republic of Zambia)

Naphtali Ndiritu KAMUNDIA
(Kenya)

Jean-Pierre LENOBLE
(France)

Alfonso LOPEZ-REINA
(Colombia)

Luis G. PREVAL PAEZ
(Cuba)

David W. PASHO
(Canada)

Bodo SCHIRMER
(German Democratic Republic)

T. R. P. SINGH
(India)

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INTRODUCTION

1. The Group of Technical Experts was established in accordance with the decision taken by the Preparatory Commission of the International Sea-bed Authority and the International Tribunal for the Law of the Sea which is embodied in paragraph 6 of the Statement of Understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1). The Group was mandated to determine whether the applications for registration as pioneer investors are in conformity with resolution II of the Third United Nations Conference on the Law of the Sea, in particular with the principle of equal estimated commercial value, subject to the guidelines and procedures set forth in the statement of understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1) and the statement of understanding of 10 April 1987 (LOS/PCN/L.43/Rev.1) and to submit a report on each application to the General Committee. The Group noted that in case of there being different opinions among its members, such opinions shall be included in the report. 1/

2. In accordance with the relevant decision of the Preparatory Commission, the application of India was examined to ensure whether it was in conformity with resolution II taking into account that India, like other applicants, if it so wishes, will identify in its application area, an area totalling 52,300 square kilometres for incorporation in the area of up to 150,000 square kilometres to be allocated to it as a pioneer area. The provisions on relinquishment in resolution II, paragraph 1 (e), shall apply to the allocated area." 2/

3. The Group of Technical Experts held its initial meeting on the afternoon of 3 August 1987. The Special Representative of the Secretary-General for the Law of the Sea, Mr. Satya Nandan, briefed the Group on its mandate and outlined the specific procedures that would be in effect to ensure the confidentiality of data and information contained in the application of India.

4. The Group met again on the morning of 4 August 1987, at which time the application submitted by the Government of India was opened in the presence of the representative of the applicant. Mr. M. M. K. Sardana and Mr. Bhimsen Rao, from the delegation of India, introduced the application, which the Group proceeded to examine immediately. Subsequently, the Group met each day in morning and afternoon sessions from 3 to 7 August 1987.

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I. BASIC INFORMATION REGARDING THE APPLICATION

A. Identification of the Applicant

1. Name of State(s) or certifying State(s):

The Republic of India

2. Date of Signature of the Convention by the certifying State or States:
10 December 1982

3. Applicant:

a. Name Department of Ocean Development, Government of India

b. Mailing Address Mahasagar Bhavan, Block-12, C.G.O. Complex
Lodi Road, New Delhi - 110003, India
Telephone: 360874

c. Cable Address 'MAHASAGAR BHAVAN'
Telex Address 316153 DOD-IN

d. Name of Designated Representative or Designated Authority Dr. S. Z. Qasim

e. Mailing Addresses Mahasagar Bhavan, Block-12, C.G.O. Complex
Lodi Road, New Delhi - 110003, India
Telephone: 360874

f. Cable Address 'MAHASAGAR BHAVAN'
Telex Address 3161535 DOD-IN

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4. Status of the Applicant under Resolution II, para.(1)(a)(i):

State ☒

State enterprise ☐

Natural or juridical person ☐

5. Certificate of registration as a juridical person (if applicable)

Submitted: Yes ☐ No ☐

Not Applicable ☒

6. Date of receipt of application: 12 January 1984

7. Date of receipt of revised application: 20 July 1987

B. Data submitted by the Applicant

1. Certification of required levels of expenditures

Submitted: Yes ☒ No ☐

2. Assurances of absence or resolution of conflicts concerning overlapping claims

Submitted: Yes ☒ No ☐

3. Co-ordinates of the application area

Submitted: Yes ☒ No ☐

4. Data with respect to both parts of the application area used to estimate commercial value of each part

Submitted: Yes ☒ No ☐

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5. Assurances of compliance with the provisions of Resolution II and the Understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1)

Submitted: Yes ☒ No ☐

C. Payment of Fee:

The applicant agrees to pay a fee of $US 250,000 to the Preparatory Commission as soon as certain administrative arrangements have been made for the transfer of such fees.

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II. EXAMINATION OF THE TECHNICAL DATA AND INFORMATION TO DETERMINE WHETHER BOTH PARTS OF THE APPLICATION AREA ARE OF EQUAL ESTIMATED COMMERCIAL VALUE

A. Data submitted

5. The application of India identifies a region of 300 thousand square kilometres in the Central Indian Ocean Basin (see figure 1). The area is divided into Areas A and B, covering 150 thousand square kilometres respectively. An area of 52.3 thousand square kilometres was also delineated and identified as Area S for incorporation in the pioneer area to be allocated to the applicant in accordance with paragraph 13 (3) of LOS/PCN/L.41/Rev.1 of 5 September 1986. The areas are approximate within less than 1 per cent margin of error.

6. The following technical documents were included in the application:

(a) Maps:

(i) General map showing important geographic and oceanic features in and around the application area with Areas A, B and S marked on the map;

(ii) Map showing the application area on a scale of 1:1 million (Mercator projection) marking the turning points of Areas A, B and S;

(iii) Map showing the topography of the sea-bed in the application area with contours at 100-metre intervals;

(iv) Map showing nodule abundance (wet kg/m^2) in the application area. This map shows the sampling locations and depicts the average abundance of nodules by symbols;

(v) Map showing locations of sample points for which metal values were determined.

(b) Tables:

Table 1: Co-ordinates of the application area: Geographical co-ordinates of the application area divided into two, namely Area A and Area B and the co-ordinates of Area S have been listed in this table in terms of latitude and longitude;

Table 2: Technical Data Sheet: This table lists the catalogue of values, giving station numbers, co-ordinates of the station, water depths, abundance of nodules (wet kg/m^2) and metal values as percentages of Mn, Co, Ni, and Cu (on dry basis);

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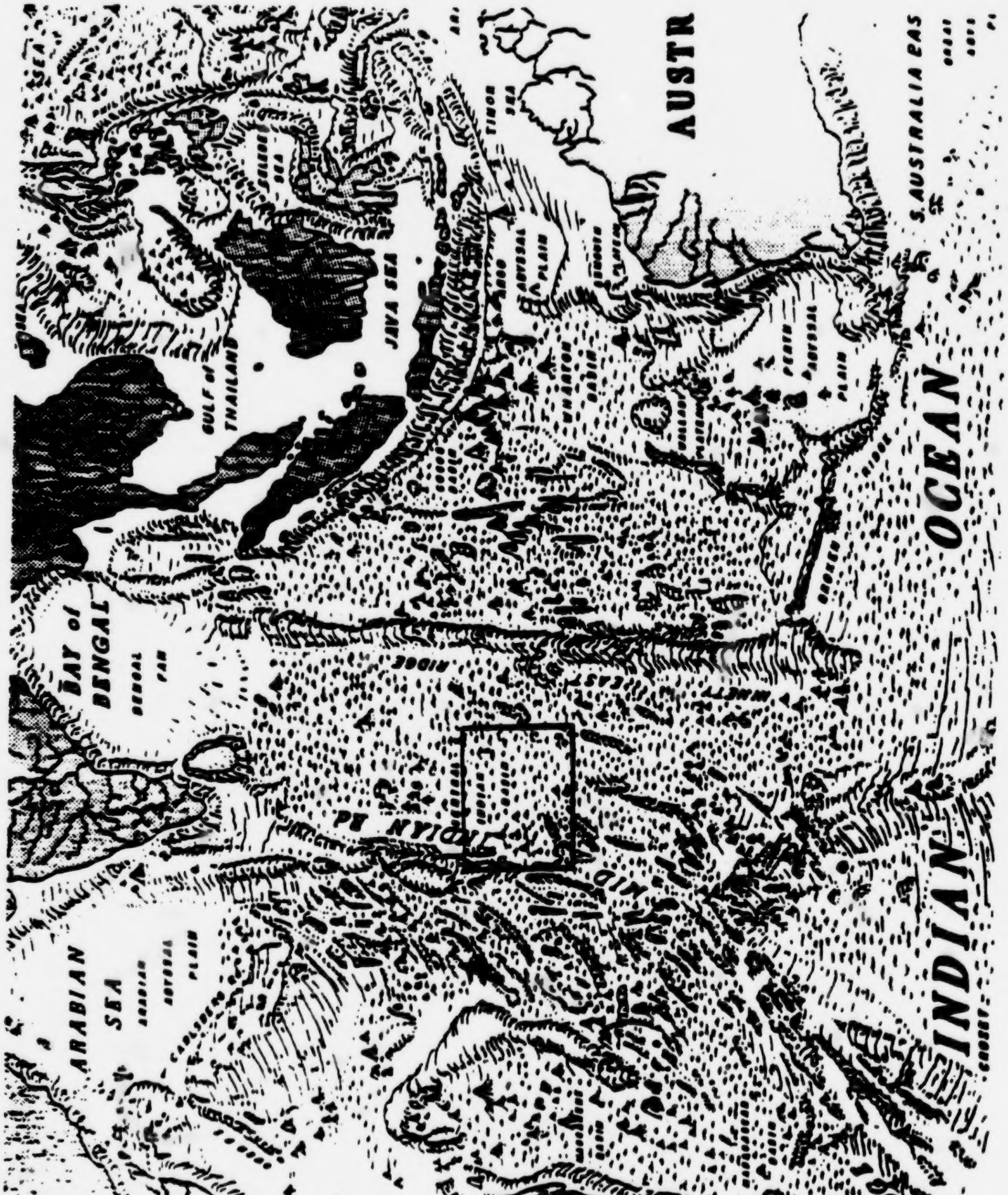
ARABIAN
SEA
BAY of
BENGAL
BENGAL
FAN
GULF of
THAILAND
JAVA SEA
AUSTR
S. AUSTRALIA BAS
INDIAN
OCEAN
RIDGE
MID

FIGURE 1. Location of the Indian Application Area.

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Table 3: Estimated commercial values in terms of tonnages of wet nodules, tonnages of Mn, Co, Ni, and Cu (on dry basis) and the tonnage of equivalent nickel metal for Area A, Area B and Area S;

Table 4: Description of equipment used in survey and exploration. This table gives basic information on navigational, acoustic and sampling equipment as well as the relevant analytical methods.

7. Additional technical details were given by the applicant in response to questions by the members of the Group of Experts.

8. The data in table 3 on the estimated tonnage of nodules and the metals (Mn, Co, Ni and Cu) have been provided with a range of variation at 95 per cent confidence level.

9. All the technical data submitted in the application have been gathered using standard and recognized methods.

B. Methodology

1. General

10. The Group considered using a number of possible indicators that might be useful in assessing that Areas A and B are of equal estimated commercial value. It was recognized that any approach should be based on the fact that the data reflect the prospecting or exploration stage and that they should be based on a relative comparison of the two areas and not on an assessment of absolute commercial potential or the economic feasibility of commercial operations in the areas.

11. The most important factors were considered to be the metal content, nodule abundance and bathymetry. In the view of the Group, the complex relationship between these factors makes it impossible to make a comparative assessment on the basis of one single composite indicator. It was concluded that several indicators were required in order to ensure comprehensive consideration of the variety of factors that might now, or in the foreseeable future, have a major effect on the relative commercial values of the two areas.

12. The Group, comprising experts in various disciplines, discussed a set of criteria in order to adopt an approach centered essentially on technical aspects.

13. Taking into account the relevant provisions contained in resolution II regarding mapping, sampling, abundance of nodules and their metal content, the Group agreed on a procedure for a thorough examination of each and every factor mentioned above.

14. In order to accomplish this task, the Group divided itself into five teams as follows: the first carried out a comprehensive study of nickel; the second, manganese; the third, cobalt; the fourth, the abundance and tonnage of nodules; and the fifth, an examination of the sea-bed topography.

2. Metal content

15. With respect to metal content, the Group evaluated the relative amounts of nickel, cobalt and manganese metal contained in the nodules from each area. The basic information used to make this comparison was developed by calculating the metal accumulation, taken as the per cent metal times the nodule abundance at each of some 400 stations. These values, together with per cent metal, were plotted on charts in order to evaluate the relative distribution and trends in the two areas. This procedure was carried out for each individual metal and used to determine whether one or the other area contained either larger areas of higher grade nodules and/or greater quantity of contained metals.

16. In the case of nickel and manganese, an additional analysis was made of the cumulative frequency distribution of the metal accumulations in Areas A, B and S. This was done in order to assess possible differences that might not be reflected in the data on the mean value of metals in the areas.

3. Abundance

17. Data on abundance was used to calculate the average abundance as well as the total tonnage of nodules in the Areas A, B and S. The cumulative frequency distribution of the abundance was determined in each area to assess possible differences.

4. Bathymetry

18. The examination of geomorphological features of Areas A and B was conducted by comparing several sample sites which, in the experts' opinion, reflect the relief features of each area. Five such sites were selected - two in both Areas A and B and one in Area S. For each of these sample sites, bathymetric cross-sections were prepared to give an idea of the distribution of slope angles and overall configuration of features.

19. In the experts' opinion, the nature of the relationship between relief and nodule density as well as metal content does not allow, at this stage, a comparative evaluation of the two areas, as that would have to be based on comprehensive data covering all three factors. Therefore, the relief in the two areas was compared only from the point of view of possible conditions that might affect exploration and exploitation. The process recognizes the relative nature of these comparisons since the relief data are taken from a general bathymetric chart.

C. Results of the evaluation

1. Adequacy of data

20. The Group reviewed the type, frequency and spatial distribution of the data and concluded that they were adequate for developing information that could be used to assess whether the two areas are of equal estimated commercial value. The data

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are also adequate to show that both areas have technical characteristics that make them worthy of further exploration in order to delineate possible mine sites. At this stage of prospecting, it is not possible to identify or delineate mineable areas in A or B.

21. The Group was informed that, based on present knowledge, the climatic conditions in both parts of the application area were similar.

2. Metal content

22. The Group carried out an evaluation of nickel, cobalt and manganese in the areas. It was decided not to develop separate information on copper in view of the well-established relationship between copper and nickel that allows the characteristics of copper to be closely approximated by the analysis of nickel.

23. Nickel. In the case of nickel, an evaluation of the mean value of nickel metal accumulation and the statistical distribution of the metal accumulation revealed no significant differences between Areas A and B. Careful consideration of the spatial distribution of metal content and metal accumulation, likewise, suggests no significant difference. Although there was considerable discussion concerning a possibility that there might be a difference between the two areas in terms of regions that might have both high grade and high abundance, a thorough evaluation of the data indicated that there was no significant difference.

24. Manganese. Manganese was considered with respect to per cent metal content and accumulation in Areas A and B. The analysis of the data suggests that Areas A and B are virtually identical.

25. Cobalt. The spatial distribution of cobalt accumulation was found to be generally consistent throughout the application area. The cobalt content of Area B is negligibly higher than that of Area A although the accumulation in both Areas A and B was found to be equivalent. From this evaluation and taking into account the sea floor relief, it can be said that Areas A and B are equivalent in the estimated commercial value for cobalt.

3. Abundance and tonnage

26. The results of the calculation of both tonnage and abundance fall within the ranges given in the application and suggest that Areas A and B are similar as far as these indicators are concerned. This was confirmed by the fact that cumulative distribution of abundance in the two areas shows statistical similarity.

4. Bathymetry

27. The geomorphological analysis of Areas A and B has revealed that, despite some secondary differences in relief between the two areas, the bathymetry is comparable. In both areas it is predominantly smooth. Maximum angles of incline do not exceed 7 degrees, with the exception of only two elevations in Area S where

/...

they reach 12 degrees. The general direction of the relief structures is mainly latitudinal, and remains the same in both areas.

28. The Group concluded that the sea-bed topography in Areas A and B is essentially similar.

D. Adjustment of areas

29. The Group proceeded to consider its recommendation on the selection of one of the two parts for reservation for the Authority in view of the conclusion that both Areas A and B have equal estimated commercial value. After review of all factors used in evaluating the areas, it was concluded that none, in view of their close similarity, provided a basis for distinguishing between the two.

30. Having reached that assessment, the Group then took into account the effect of changes that would result from the retention of the area of 52.3 thousand square kilometres, referred to as Area S, which had been identified by the applicant for incorporation in the final pioneer area in accordance with paragraph 13 (3) of LOS/PCN/L.41/Rev.1, Annex. Retention by the applicant of Area S, part of which fell in Area A and part fell in Area B, made it necessary to adjust both original Areas A and B in order to ensure that the final reserved area and the final pioneer area were of equal estimated commercial value. In making this adjustment, the Group again took into consideration the abundance and metal content of the nodule samples from all stations and the bathymetry in the relevant areas.

31. After careful examination of the alternatives for adjusting Areas A and B, and taking into consideration all relevant technical factors and the desirability of maintaining the greatest degree of continuity of the final areas, the Group unanimously agreed to recommend that Area B, as adjusted, should be designated as the reserved area for the Authority and that Area A, as adjusted, should be designated as the pioneer area for allocation to the applicant. Both areas are of 150 thousand square kilometres each.

32. The precise co-ordinates of the adjusted Areas A and B (see figure 2), have been determined by the Group of Technical Experts and are contained in a sealed envelope deposited with the Secretary-General of the United Nations.

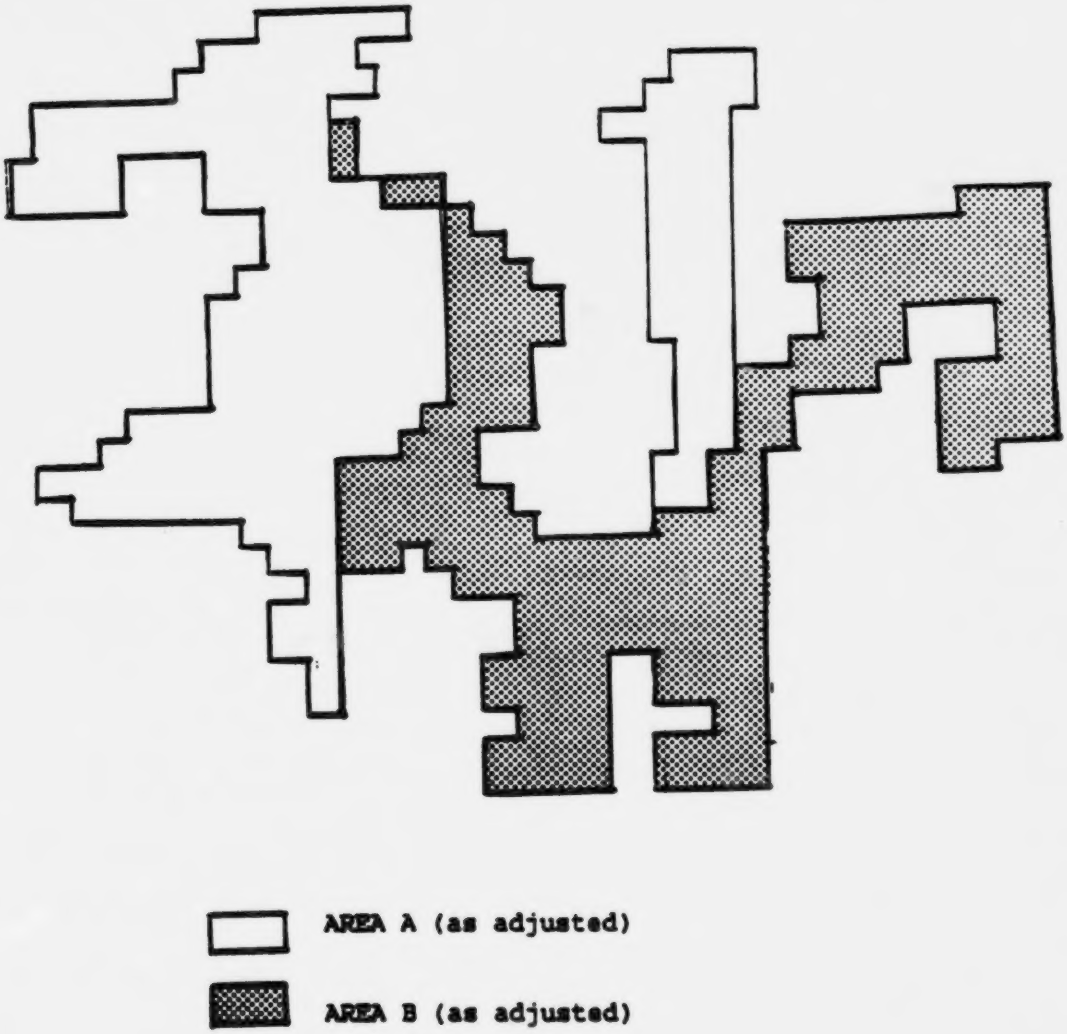
☐ AREA A (as adjusted)
▨ AREA B (as adjusted)

FIGURE 2. Areas A and B (as adjusted).

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III. CONCLUSIONS

33. The following conclusions were reached unanimously by the Group.

(a) Having examined the particulars submitted by the applicant which are summarized in part I of the present report, the Group has concluded that the application has been submitted in accordance with resolution II and the understandings contained in documents LOS/PCN/L.41/Rev.1 and LOS/PCN/L.43/Rev.1.

(b) Having evaluated the technical data and information submitted by the applicant as referred to in Part II of the present report and having made the necessary adjustments to the two areas, the Group determined that Areas A and B as adjusted are of equal estimated commercial value.

(c) As regards the designation of the reserved area and the allocation of the pioneer area, the Group agreed to recommend for the consideration of the General Committee:

(i) That Area B, as adjusted, should be designated as the reserved area, and

(ii) That Area A, as adjusted, which includes an area of 52.3 thousand square kilometres identified by the applicant, should be designated as the pioneer area to be allocated to the applicant.

Notes

1/ Paragraph 4 of the statement on the implementation of resolution II, contained in the annex to document LOS/PCN/L.41/Rev.1.

2/ Paragraph 13 (3) of the statement on the implementation of resolution II, contained in the annex to document LOS/PCN/L.41/Rev.1.

Annex I

LIST OF THE MEMBERSHIP OF THE GROUP OF TECHNICAL EXPERTS

1. Mr. Samuel Sona Betah
Deputy Director of Geology
Ministry of Mines and Power
Yaoundé, Cameroon

2. Dr. Zhang Bingxi
Senior Chief Engineer
Department of Science and Technology
Ministry of Geology and Mineral Resources
Beijing, China

3. Dr. Alfredo José da Silva Netto
Assistant to the Directorate for Exploration and Production, PETROBRAS
Avenida República do Chile, 65
23 Andar
Rio de Janeiro, RJ 20035
Brazil

4. Dr. Igor Sergeevich Gramberg
Director-General of the Northern Production Combine for Marine Geological Exploration Work (SEVMORGEOLOGIA)
Ministry of Geology of the USSR
Moscow, USSR

5. Mr. Knut S. Heier
Managing Director
Norwegian Geological Survey
Leiv Eirikssons v. 39
7000 Trondheim
Norway

6. Mr. Takeshi Izumi
Director-General, Overseas Activities
Metal Mining Agency of Japan
Tokiwa Building,
1-24-14, Toranomon, Minato-ku
Tokyo, Japan

7. Mr. H. H. E. Kambaila
Chief Inspector of Mines
Mines Safety Department
P.O. Box 21006
Kitwe, Republic of Zambia

/...

8. Mr. Naphtali Ndiritu Kamundia
Geologist, Government of Kenya
Nairobi, Kenya

9. M. Jean-Pierre Lenoble
Institut français de recherche pour l'exploitation de la mer (IFREMER)
Chef du département de coopération internationale,
Chargé de Mission "Nodules polymétalliques" auprès du Président Directeur Général
Paris, France

10. Dr. Alfonso López-Reina
Director of the Colombian Mining Institute, INGEOMINAS
Carrera 53 N° 105-76
Bogotá, Colombia

11. Mr. Sulaiman Zuhdi Pane
General Manager, Joint Operating Body (JOB)
Pertamina-Japex North Sumatra Ltd.
Skyline Building, 19th Floor
Jakarta, Indonesia

12. Ing. Luis G. Preval Paez
Principal Specialist of the Production, Investments and Metallurgical Mining Development Division of the Ministry of Basic Industry
Havana, Cuba

13. Mr. David W. Pasho
Director, Ocean Mining Division
Mineral Policy Sector
Department of Energy, Mines and Resources
Ottawa, Canada

14. Dr. Bodo Schirmer
Special Representative of the Minister of Geology
Central Geological Institute
c/o Ministry of Foreign Affairs
Berlin, German Democratic Republic

15. Dr. T. R. P. Singh
Senior Manager, Engineers India Ltd.
R. K. Puram
New Delhi 110066
India

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C. DECISION ADOPTED ON 17 AUGUST 1987 BY THE GENERAL COMMITTEE OF THE PREPARATORY COMMISSION FOR THE INTERNATIONAL SEA-BED AUTHORITY AND FOR THE INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA ON THE APPLICATION OF THE GOVERNMENT OF INDIA AS A PIONEER INVESTOR UNDER RESOLUTION II*

1. Pursuant to resolution II of the Third United Nations Conference on the Law of the Sea and the statement on the implementation of resolution II of the Preparatory Commission of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex) and the statement of understanding on the implementation of resolution II of 10 April 1987 (LOS/PCN/L.43/Rev.1), the General Committee, in accordance with rule 14, paragraph 3, of the rules of procedure of the Preparatory Commission, has considered the application of the Government of the Republic of India for registration as a pioneer investor under resolution II. The General Committee had before it a report of the Group of Technical Experts (LOS/PCN/BUR/R.1) established by the Preparatory Commission to examine the application. In addition, the applicant had released for the consideration of the General Committee the formal part of its application (LOS/PCN/BUR/INF/R.1).

2. The General Committee noted that, in accordance with paragraph 4 of the statement of understanding of 5 September 1986 (document LOS/PCN/L.41/Rev.1, annex), the Group of Technical Experts had determined that the application of India was in conformity with resolution II, in particular with the principle of equal estimated commercial value, subject to the guidelines and procedures set forth in the above-mentioned statements of understanding.

3. The General Committee has also noted that in its application India has made the following declarations:

> "India signed the United Nations Convention on the Law of the Sea on 10 December 1982."
>
> "The Application Area is a part of the international sea-bed area in the Central Indian Ocean and is beyond the limits of national jurisdiction of any State."
>
> "The Applicant assures the Preparatory Commission that the application area is free from overlapping claims."
>
> "The Applicant agrees to make the payment of $US 250,000 to the Preparatory Commission as fee for registration as pioneer investor and for the allocation of a pioneer area as soon as the Applicant is advised by the Preparatory Commission."
>
> "The Applicant has not made any other application for allocation of a pioneer area either in the Indian Ocean or in any other ocean. The Applicant

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* Originally issued under the symbol LOS/PCN/94 and Corr.1.

undertakes to comply with the provisions of paragraph 12 of the resolution governing preparatory investment in pioneer activities relating to polymetallic nodules. It will also conduct its activities in accordance with the relevant provisions of resolution II and the Rules and Regulations adopted by the Preparatory Commission for the International Sea-bed Authority, including those relating to the preservation of the marine environment."

"The Government of India shall ensure that the pioneer activities are conducted in a manner compatible with the United Nations Convention on the Law of the Sea, 1982." (LOS/PCN/BUR/INF/R.1, sect. 5)

4. The General Committee, having considered the application of India, taking into account the report submitted by the Group of Technical Experts, has noted with appreciation the conclusions reached by the Group of Technical Experts:

(a) That the application of India has been submitted in accordance with resolution II and the statements of understanding contained in documents LOS/PCN/L.41/Rev.1 and LOS/PCN/L.43/Rev.1;

(b) That Areas A and B in the application of India, as adjusted and identified in figure 2 of the report of the Group of Technical Experts, are of equal estimated commercial value;

(c) That Area B, as adjusted, should be designated as the reserved area;

(d) That Area A, as adjusted, which includes an area of 52,300 square kilometres identified by the Applicant, should be designated as the pioneer area to be allocated to the Applicant.

5. It further notes that the list of co-ordinates of Areas A and B, as adjusted, is deposited with the Secretary-General and forms annex 2 of the report of the Group of Technical Experts.

6. Accordingly, the General Committee, taking into account the readiness of India to comply with the obligations of pioneer investors under resolution II and the above-mentioned statements of understanding,

DECIDES:

(a) To designate Area B, referred to above, as the part of the application area which is to be reserved for the conduct of activities by the Authority in the Area through the Enterprise or in association with developing States;

(b) To allocate Area A, as referred to above, as a pioneer area to the applicant, the Government of India;

(c) To annex the co-ordinates of Areas A and B hereto;

(d) That a certificate of registration shall be issued to the Applicant.

/...

7. The certificate of registration of the application of the Government of the Republic of India shall record:

(a) The identity of the Applicant and of the certifying State;

(b) The date of signature of the Convention by the certifying State;

(c) The date of receipt of the application and any revisions thereto;

(d) The date of the decision for registration as a pioneer investor;

(e) The date of registration as a pioneer investor;

(f) The precise geographical co-ordinates of the area allocated to the Applicant as a pioneer area;

(g) The exclusive right of the pioneer investor to carry out pioneer activities in the pioneer area allocated to it under resolution II of the Third United Nations Conference on the Law of the Sea;

(h) The requirements of compliance by the pioneer investor with its obligations under resolution II and the above-mentioned statements of understanding;

(i) The requirements of compliance by the certifying State with its commitments under resolution II.

8. The General Committee

REQUESTS the Secretary-General of the United Nations:

(a) To inform all the participants of the Preparatory Commission of this decision;

(b) To give due publicity to the co-ordinates of Areas A and B;

(c) To maintain a register for the purpose of registering the pioneer investor and to record the reserved area;

(d) To advise the Applicant of the administrative arrangements necessary for the payment of fee and to prepare and issue to the Applicant a certificate of registration.

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Annex

CO-ORDINATES OF THE TURNING POINTS OF AREAS A AND B AS REFERRED TO IN PARAGRAPH 6 (a), (b) AND (c)

These co-ordinates previously formed annex 2 of the report of the Group of Technical Experts (LOS/PCN/BUR/R.1, para. 32).

I. Area A, allocated as a pioneer area to the Applicant, the Government of India, is bounded by lines joining the following turning points, the co-ordinates of which are listed below:

TURNING POINTS	LATITUDE (S)	LONGITUDE (E)
A1	10°45'	73°00'
A2	10°45'	74°15'
A3	10°30'	74°15'
A4	10°30'	74°30'
A5	10°15'	74°30'
A6	10°15'	75°00'
A7	10°00'	75°00'
A8	10°00'	76°15'
A9	10°15'	76°15'
A10	10°15'	75°45'
A11	10°30'	75°45'
A12	10°30'	76°00'
A13	10°45'	76°00'
A14	10°45'	75°30'
A15	11°30'	75°30'
A16	11°30'	76°00'
A17	11°45'	76°00'
A18	11°45'	76°30'
A19	13°30'	76°30'
A20	13°30'	76°15'
A21	13°45'	76°15'
A22	13°45'	76°00'
A23	14°00'	76°00'
A24	14°00'	75°30'
A25	16°15'	75°30'
A26	16°15'	75°15'
A27	15°45'	75°15'
A28	15°45'	75°00'
A29	15°15'	75°00'
A30	15°15'	75°15'
A31	15°00'	75°15'
A32	15°00'	75°00'
A33	14°45'	75°00'

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TURNING POINTS	LATITUDE (S)	LONGITUDE (E)
A34	14°45'	74°45'
A35	14°30'	74°45'
A36	14°30'	73°15'
A37	14°15'	73°15'
A38	14°15'	73°00'
A39	14°00'	73°00'
A40	14°00'	73°30'
A41	13°45'	73°30'
A42	13°45'	73°45'
A43	13°30'	73°45'
A44	13°30'	74°30'
A45	12°30'	74°30'
A46	12°30'	74°45'
A47	12°15'	74°45'
A48	12°15'	75°00'
A49	11°45'	75°00'
A50	11°45'	74°30'
A51	11°15'	74°30'
A52	11°15'	73°45'
A53	11°45'	73°45'
A54	11°45'	72°45'
A55	11°15'	72°45'
A56	11°15'	73°00'
A1	10°45'	73°00'
A57	10°45'	78°30'
A58	10°30'	78°30'
A59	10°30'	79°15'
A60	11°00'	79°15'
A61	11°00'	79°00'
A62	14°00'	79°00'
A63	14°00'	78°45'
A64	14°30'	78°45'
A65	14°30'	78°15'
A66	14°00'	78°15'
A67	14°00'	78°30'
A68	13°00'	78°30'
A69	13°00'	78°15'
A70	11°15'	78°15'
A71	11°15'	78°00'
A72	11°00'	78°00'
A73	11°00'	78°15'
A74	10°45'	78°15'
A57	10°45'	78°30'

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II. Area B, designated as the reserved area for conduct of activities by the Authority in the Area through the Enterprise or in association with developing States, is bounded by lines joining the following turning points, the co-ordinates of which are listed below:

TURNING POINTS	LATITUDE (S)	LONGITUDE (E)
B1	11°00'	75°30'
B2	11°00'	74°45'
B3	11°30'	75°45'
B4	11°30'	75°30'
B1	11°00'	75°45'
B5	11°30'	76°00'
B6	11°30'	76°30'
B7	11°45'	76°30'
B8	11°45'	76°00'
B5	11°30'	76°00'
B7	11°45'	76°30'
B9	11°45'	76°45'
B10	12°00'	76°45'
B11	12°00'	77°00'
B12	12°15'	77°00'
B13	12°15'	77°15'
B14	12°30'	77°15'
B15	12°30'	77°30'
B16	13°00'	77°30'
B17	13°00'	77°15'
B18	13°45'	77°15'
B19	13°45'	76°45'
B20	14°15'	76°45'
B21	14°15'	77°00'
B22	14°30'	77°00'
B23	14°30'	77°15'
B24	14°45'	77°15'
B25	14°45'	78°15'
B26	14°30'	78°15'
B27	14°30'	78°45'
B28	14°00'	78°45'
B29	14°00'	79°00'
B30	13°15'	79°00'
B31	13°15'	79°30'
B32	13°00'	79°30'
B33	13°00'	79°45'
B34	12°30'	79°45'
B35	12°30'	79°30'
B36	12°00'	79°30'
B37	12°00'	81°00'

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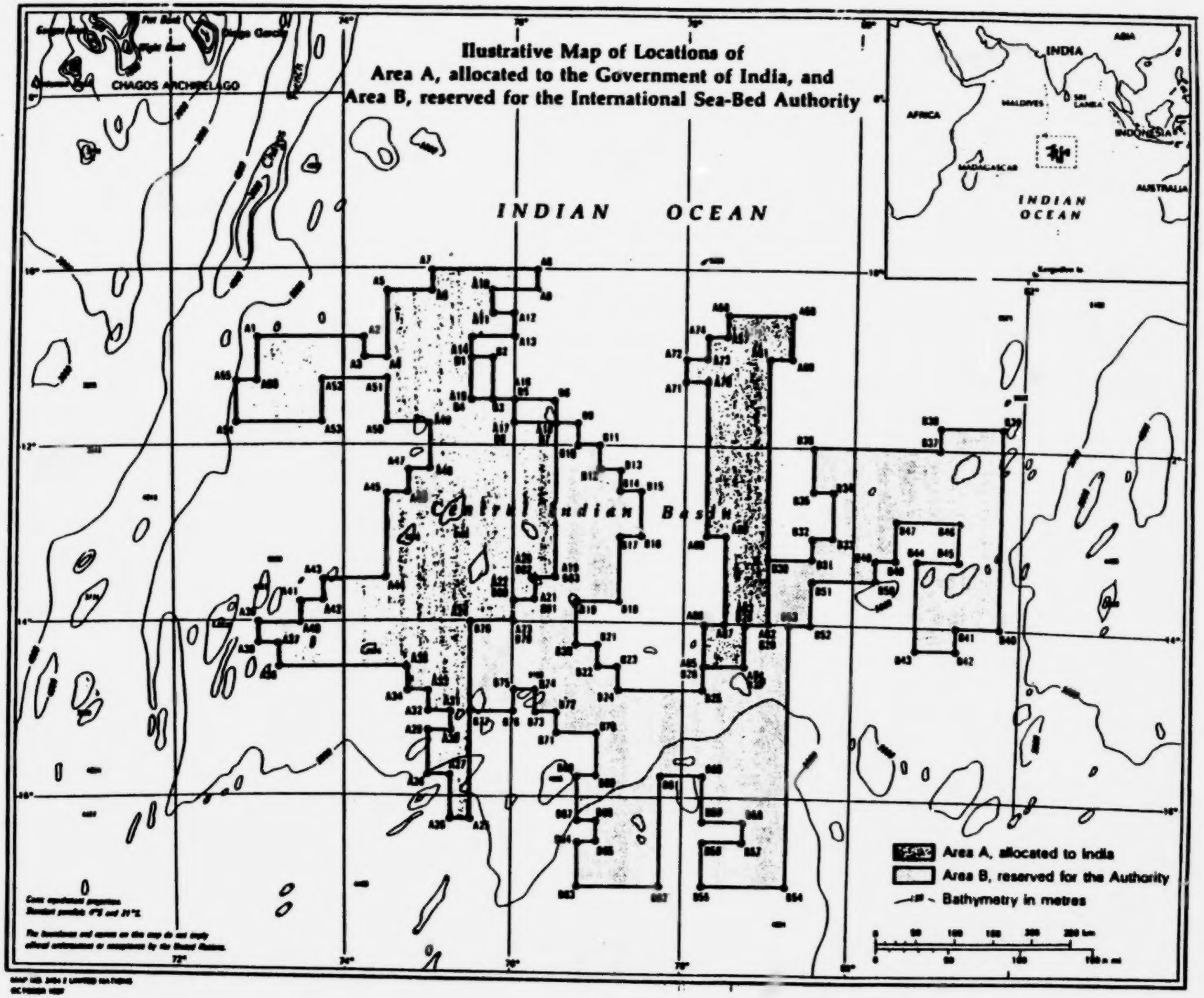
TURNING POINTS	LATITUDE (S)	LONGITUDE (E)
B38	11°45'	81°00'
B39	11°45'	81°45'
B40	14°00'	81°45'
B41	14°00'	81°15'
B42	14°15'	81°15'
B43	14°15'	80°45'
B44	13°15'	80°45'
B45	13°15'	81°15'
B46	12°45'	81°15'
B47	12°45'	80°30'
B48	13°15'	80°30'
B49	13°15'	80°15'
B50	13°30'	80°15'
B51	13°30'	79°30'
B52	14°00'	79°30'
B53	14°00'	79°15'
B54	17°00'	79°15'
B55	17°00'	78°15'
B56	16°30'	78°15'
B57	16°30'	78°45'
B58	16°15'	78°45'
B59	16°15'	78°15'
B60	15°45'	78°15'
B61	15°45'	77°45'
B62	17°00'	77°45'
B63	17°00'	76°45'
B64	16°30'	76°45'
B65	16°30'	77°00'
B66	16°15'	77°00'
B67	16°15'	76°45'
B68	15°45'	76°45'
B69	15°45'	77°00'
B70	15°15'	77°00'
B71	15°15'	76°30'
B72	15°00'	76°30'
B73	15°00'	76°15'
B74	14°45'	76°15'
B75	14°45'	76°00'
B76	15°00'	76°00'
B77	15°00'	75°30'
B78	14°00'	75°30'
B79	14°00'	76°00'
B80	13°45'	76°00'
B81	13°45'	76°15'
B82	13°30'	76°15'
B83	13°30'	76°30'
B7	11°45'	76°30'

/...

D. ILLUSTRATIVE MAP OF LOCATIONS OF AREA A, ALLOCATED TO THE GOVERNMENT OF INDIA, AND AREA B, RESERVED FOR THE INTERNATIONAL SEA-BED AUTHORITY


Ilustrative Map of Locations of
Area A, allocated to the Government of India, and
Area B, reserved for the International Sea-Bed Authority
INDIAN OCEAN
Central Indian Basin
CHAGOS ARCHIPELAGO
Diego Garcia
INDIA
ASIA
AFRICA
MALDIVES
SRI LANKA
INDONESIA
MADAGASCAR
AUSTRALIA
INDIAN OCEAN
Area A, allocated to India
Area B, reserved for the Authority
Bathymetry in metres
72°
74°
76°
78°
80°
82°
10°
12°
14°
16°

/...

II. REGISTRATION OF THE GOVERNMENT OF FRANCE

A. RECEIPT OF APPLICATION FROM THE GOVERNMENT OF FRANCE FOR REGISTRATION OF THE ASSOCIATION FRANÇAISE POUR L'ETUDE ET LA RECHERCHE DES NODULES (A.F.E.R.N.O.D.) AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

Note by the Secretary-General

1. In accordance with the procedures and guidelines for registration of pioneer investors under resolution II of the Third United Nations Conference on the Law of the Sea, as contained in annex II of document LOS/PCN/27 dated 8 September 1983, the Secretary-General informs the Preparatory Commission that he received on 22 August 1984 from the Permanent Mission of France in New York a letter from the Government of France dated 3 August 1984, addressed to the Chairman of the Preparatory Commission, submitting an application for the registration of the "Association française pour l'étude et la recherche des nodules (A.F.E.R.N.O.D.)" as a pioneer investor under the provisions of resolution II and a declaration regarding the expenditure relating to pioneer activities. The texts of the application and of the accompanying declaration are annexed hereto.

2. The application was accompanied by a sealed package said to contain details relating to the application.

3. The Government of France signed the United Nations Convention on the Law of the Sea on 10 December 1982.

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* Originally issued under the symbol LOS/PCN/51.

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ANNEX

LETTER DATED 3 AUGUST 1984 FROM THE GOVERNMENT OF FRANCE ADDRESSED TO THE CHAIRMAN OF THE PREPARATORY COMMISSION

The Government of the French Republic, which on 10 December 1982 signed the Final Act and the United Nations Convention on the Law of the Sea, taking resolutions I and II contained in the Final Act as its basis, in its capacity as a certifying State, hereby submits an application to the Preparatory Commission for registration as a pioneer investor on behalf of the National Centre for Oceanic Exploration (CNEXO), a national public body with headquarters at 66, avenue d'Iéna, Paris, whose President and Director-General is Mr. Yves Sillard, acting as Manager of the Association française pour l'étude et la recherche de nodules (AFERNOD), a partnership under French law.

A statement concerning investments made by this body is attached to the present letter.

The coordinates of the area required, which is sufficiently large and of sufficient estimated value to allow two mining operations and does not exceed 300,000 km^2, are contained in the sealed annex attached herewith. It is certified that the original list of coordinates, amended subsequently in the light of the settlement of a conflict with the Japanese company "Deep Ocean Resources Development Co. Ltd." (DORD), likewise having the status of pioneer investor, was deposited on 1 July 1981 by the National Centre for Oceanic Exploration of the Ministry of Industry of the French Republic. The possibility of a conflict with the Soviet company Southern Production Union for Marine Geology still subsists at the date of the present letter. In this respect, exchanges of views between the interested delegations are being pursued with a view to reaching a satisfactory solution.

The submission of the present application in no way changes the position of the Government of the French Republic in regard to the implementation of resolution II, as resulting from the letters addressed to you in its name on 27 April 1983, 30 March 1984 and 12 April 1984 and stating that no application for assignment of a pioneer area can be examined by the Preparatory Commission until such time as all possible overlappings between the areas applied for by signatory States have been settled, the organs of the Preparatory Commission are ready to function and the rules for the registration of applications have been adopted. The Government of the French Republic therefore considers that the present application and similar applications cannot for the time being be taken into consideration, since not all the conditions required have as yet been fulfilled. In view of the above, it reserves the right to amend or supplement any information required.

Accept, Sir, the assurances of my highest consideration.

For and on behalf of the Minister

(*Signed*) Bertrand DUFOURCQ
Directeur de Cabinet

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Statement concerning investments by CNEXO

The Government of the French Republic certifies that, prior to 1 January 1983, the National Centre for Oceanic Exploration invested 399,000,000 (three hundred and ninety-nine million) francs in pioneer activities as defined in resolution II, of which 197,000,000 (one hundred and ninety-seven million) francs were devoted to the localization, topographic study and evolution of the area in respect of which the application is made.

RECEIPT OF A REVISED APPLICATION FROM THE GOVERNMENT OF FRANCE FOR THE REGISTRATION AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

Note by the Secretary-General

In accordance with the statement on the implementation of resolution II (LOS/PCN/L.41/Rev.1, annex) adopted by the Preparatory Commission in New York on 5 September 1986 and the statement of understanding on the implementation of resolution II (LOS/PCN/L.43/Rev.1) adopted by the Preparatory Commission at Kingston on 10 April 1987, the Secretary-General hereby informs the Preparatory Commission that he received on 20 July 1987 from the Chairman of the delegation of France to the Preparatory Commission a letter of the same date, enclosing a revised application for the registration of France as a pioneer investor under the provisions of resolution II, governing preparatory investment in pioneer activities in the deep seabed relating to polymetallic nodules. The text of the letter is annexed hereto.

Annex

[Original: French]

LETTER DATED 20 JULY 1987 FROM THE CHAIRMAN OF THE DELEGATION OF FRANCE TO THE PREPARATORY COMMISSION ADDRESSED TO THE SECRETARY-GENERAL

Please find enclosed the revised application for the registration of France, transmitted to you personally, in accordance with paragraph 8 of the statement made by the Chairman of the Preparatory Commission at Kingston (document LOS/PCN/L.43/Rev.1 of 15 April 1987).

(Signed) Michel SUCHOD
Chairman of the delegation of France
to the Preparatory Commission

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* Originally issued under the symbol LOS/PCN/89.

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B. REPORT OF THE GROUP OF TECHNICAL EXPERTS TO THE GENERAL COMMITTEE OF THE PREPARATORY COMMISSION FOR THE INTERNATIONAL SEA-BED AUTHORITY AND FOR THE INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA ON THE APPLICATION OF THE GOVERNMENT OF THE REPUBLIC OF FRANCE FOR REGISTRATION AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

LETTER OF TRANSMITTAL

4 December 1987

Mr. José Luis Jesus
Chairman of the Preparatory Commission
for the International Sea-Bed Authority
and for the International Tribunal for
the Law of the Sea
New York, New York

Dear Mr. Chairman,

We, the members of the Group of Technical Experts, appointed by the Chairman of the Preparatory Commission to examine the application of the Government of the Republic of France, on behalf of Institut Français de Recherche pour l'Exploitation de la Mer (IFREMER) - Association Française d'Etudes et de Recherche des Nodules (AFERNOD) - for registration as a pioneer investor in accordance with resolution II of the Third United Nations Conference on the Law of the Sea, have the honour to submit the attached report to the General Committee. The Group of Experts has undertaken an examination of the application in accordance with its mandate, and the attached report which was unanimously adopted contains the result of this examination.

The meeting was held at United Nations Headquarters in New York. The Group met between 23 November and 4 December 1987, during which period the Group held 22 sessions.

The Group wishes to express its appreciation for the co-operation of the representatives of the applicant, IFREMER/AFERNOD, and the Government of France.

The Group of Experts would like to thank you and the Preparatory Commission for the opportunity to assist on the matter of registration of France. The Group also wishes to draw to your attention the valuable contribution made by the Special Representative of the Secretary-General for the Law of the Sea, Mr. Satya N. Nandan, and the Law of the Sea secretariat in providing assistance throughout our meetings.

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* Originally issued under the symbol LOS/PCN/BUR/R.2.

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Yours sincerely,

Signed in New York on 4 December 1987:

Samuel SONA BETAH
(Cameroon)

ZHANG Bingxi
(China)

Alfredo José DA SILVA NETTO
(Brazil)

Igor Sergeevich GRAMBERG
(Union of Soviet Socialist Republics)

Knut S. HEIER
(Norway)

Takeshi IZUMI
(Japan)

Hicuunga H. E. KAMBAILA
(Zambia)

Naphtali Ndiritu KAMUNDIA
(Kenya)

Jean-Pierre LENOBLE
(France)

Alfonso LOPEZ-REINA
(Colombia)

Sulaiman Zuhdi PANE
(Indonesia)

Luis G. PREVAL PAEZ
(Cuba)

David W. PASHO
(Canada)

Bodo SCHIRMER
(German Democratic Republic)

T. R. P. SINGH
(India)

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INTRODUCTION

1. The Group of Technical Experts was established in accordance with the decision taken by the Preparatory Commission of the International Sea-Bed Authority and for the International Tribunal for the Law of the Sea which is embodied in paragraph 6 of the Statement of understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex). The Group was mandated to determine whether the applications for registration as pioneer investors are in conformity with resolution II of the Third United Nations Conference on the Law of the Sea, in particular with the principle of equal estimated commercial value, subject to the guidelines and procedures set forth in the Statement of understanding of 5 September 1986 and the Statement of understanding of 10 April 1987 (LOS/PCN/L.43/Rev.1) and to submit a report on each application to the General Committee. The Group noted that, in case of there being different opinions among its members, such opinions shall be included in the report (LOS/PCN/L.41/Rev.1, annex, para. 4).

2. In accordance with the relevant decision of the Preparatory Commission, the application of France, on behalf of Institut Français de Recherche pour l'Exploitation de la Mer (IFREMER) - Association Française d'Etudes et de Recherche des Nodules (AFERNOD) - was examined to ensure whether it was in conformity with resolution II, taking into account:

(a) That applicants who do not have practical problems and do not make voluntary advance relinquishments of areas shall be deemed to have complied with the requirements for relinquishment under resolution II, paragraph 1 (e), upon registration, provided that the total pioneer area allocated to them does not exceed 75,000 sq km (see LOS/PCN/L.41/Rev.1, annex, para. 10); and

(b) That "applicants with overlapping claims, namely France, Japan and the Union of Soviet Socialist Republics, shall contribute portions of areas in the north-east Pacific Ocean covered by their respective revised applications that will constitute part of the area to be reserved for the Authority. The areas so contributed may be incorporated in any area for which the Enterprise may wish to submit a plan of work, and together they shall be of equal estimated commercial value to at least the average estimated commercial value of the three areas of up to 52,300 sq km to be allocated to the pioneer investors" pursuant to subparagraph (d) of this paragraph;

(c) "The contributions to be made by the three applicants for this purpose shall be as follows:

(i) France - an area totalling 20,000 sq km adjacent to its presently overlapping area with the Soviet Union;

(ii) Japan - an area totalling 17,300 sq km adjacent to its presently overlapping area with the Soviet Union;

(iii) Soviet Union - an area totalling 15,000 sq km 14,549 sq km of which will be from within its presently overlapping areas with France and with Japan and 451 sq km which it obtains from France following adjustment of claims between the two applicants;"

/...

(d) "The total area to be allocated to each applicant shall not exceed 75,000 sq km after any relinquishment of areas referred to in paragraphs 9, 10 and 11 has been made. For the purpose of allocation, each applicant may indicate in its application portions of its application area up to a limit of 52,300 sq km that shall form part of the total area to be allocated to it by the Commission. In addition to the areas indicated by the applicants, the Commission shall allocate, in accordance with resolution II, paragraph 3, an area from their respective application areas necessary to complete the total area to be allocated to each applicant" (see LOS/PCN/L.41/Rev.1, annex, para. 13 (1) (c) and (d) and (2)).

3. The Group of Technical Experts commenced its work on the morning of 23 November 1987. The Special Representative briefed the Group on its mandate and outlined the specific procedures that were in effect to ensure the confidentiality of data and information contained in the applications for registration before the Group.

4. The Group met again in the afternoon of 23 November 1987, at which time the Chairman of the Preparatory Commission, Mr. José Luis Jesus, addressed the Group. The Group then began its consideration of the three applications before it, beginning with the application of France.

5. The Group structured its work as follows:

(a) Stage I would involve:

(i) A preliminary examination of all technical data that was submitted for the application area;

(ii) A more detailed evaluation of data in the sectors where the Group will make recommendations to the General Committee concerning which sectors should be reserved for the Authority;

(iii) A tentative recommendation as to which sectors should be reserved for the Authority;

(b) For Stage II the Group felt it should have the benefit of technical data in those sectors from other applications that are adjacent to sectors in the French application. After taking this information into account, the Group:

(i) Made a final recommendation concerning which sectors should be reserved for the Authority. The results are to be outlined in part III of the Group's report;

(ii) Determined whether the total area recommended for reservation by the Authority is of equal estimated commercial value to the area allocated to the applicant (LOS/PCN/L.41/Rev.1, annex, paragraph 13 (1) (b)). The results are to be outlined in part III C of the Group's report;

(c) Stage III involved a comparison of the average estimated commercial value of the three areas identified by the respective applicants to be allocated to each applicant by the Commission (LOS/PCN/L.41/Rev.1, annex, paragraph 13 (2)), with the estimated commercial value of the total area composed of the contributions made by the applicants pursuant to LOS/PCN/L.41/Rev.1, annex, paragraph 13 (1) (d). On the basis of this evaluation the Group would advise the General Committee whether or not the estimated commercial value of the contributed areas reserved for the Authority is equal to at least the average estimated commercial value of the three areas identified by the applicants for incorporation into the respective areas to be allocated to them. The results are to be presented in part IV of the Group's report.

6. The Group completed its work in the afternoon of 5 December 1987. In view of the large volume of work involved in processing and analysing the three applications, the Group had to work for long hours each day, including a public holiday and the weekends. During the entire period of work, the Secretariat provided all necessary facilities and assistance.

I. BASIC INFORMATION REGARDING THE APPLICATION

A. Identification of the Applicant

1. Name of State(s) or certifying State(s):

France

2. Date of Signature of the Convention by the certifying State or States:

10 December 1982

3. Applicant:

a. Name Institut Français de Recherche pour l'Exploitation de la Mer (IFREMER) on behalf of Association Française d'Etudes et de Recherche des Nodules (AFERNOD)

b. Mailing Address
66 Avenue d'Iéna
75116 Paris
France

c. Telephone Number 1-47235528
Telex Address 610775

d. Name of Designated Representative or Designated Authority Institut Français de Recherche pour l'Exploitation de la Mer (IFREMER)

e. Mailing Addresses
66 Avenue d'Iena
75116 Paris, France

Telephone Number: 1-47235528

f. Telex Address 610775

/...

4. Status of the Applicant under resolution II, paragraph (1) (a) (i):

State ☐

State enterprise ☒

Natural or juridical person ☐

5. Certificate of registration as a juridical person (if applicable):

Submitted: Yes ☐ No ☐

Not Applicable ☒

6. Date of receipt of application: 22 August 1984

7. Date of receipt of revised application: 15 November 1987

/...

B. Data submitted by the Applicant

1. Certification of required levels of expenditures

Submitted: Yes ☒ No ☐

2. Assurances of absence or resolution of conflicts concerning overlapping claims

Submitted: Yes ☒ No ☐

3. Co-ordinates of the application area

Submitted: Yes ☒ No ☐

4. Data with respect to both parts of the application area used to estimate commercial value of each part

Submitted: Yes ☒ No ☐

5. Assurances that the application area is located beyond the limits of national jurisdiction of any State

Submitted: Yes ☒ No ☐

6. Assurances of compliance with the provisions of resolution II and the Statement of understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1)

Submitted: Yes ☒ No ☐

C. Payment of Fee:

The applicant states that it will pay the fee of US $250,000 to the Preparatory Commission as soon as certain administrative arrangements have been made for the transfer of such fees.

/...

D. The application area and its division between the reserved area and the allocated area

7. The application area of France covers a total of approximately 230,440 sq km in the Clarion-Clipperton Zone of the Pacific Ocean. This area is distributed over two regions of 72,650 sq km and 157,790 sq km respectively. The first region is located in the portion of the Clarion-Clipperton Zone which is referred to as the "central" region, and the other in the "western" region (see table 1 and figures 1 and 2).

8. In accordance with paragraph 13 (2) of the annex to document LOS/PCN/L.41/Rev.1, the applicant has identified an area of 52,290 sq km for incorporation in the total area of 75,000 sq km to be allocated to it, in accordance with paragraph 10 of that document. This area consists of two segments: one of 43,960 sq km in the central region (F_1) and the other of 8,330 sq km in the western region (F_2). In order to make up the 75,000 sq km to be allocated to the applicant, the applicant further identified two areas of approximately 22,700 sq km each in accordance with resolution II, paragraph 3. Each of these two areas consists of two segments. These segments are:

B_1	(4,960 sq km) in the central region
B_2	(3,550 sq km) in the central region
C_1	(22,350 sq km) in the western region
C_2	(18,980 sq km) in the western region

9. The total area to be reserved for the Authority will then consist of one of the two areas of 22,700 sq km, the area of 20,180 sq km (A_1 in the central region) contributed by the applicant in accordance with paragraph 13 (1) (c) and (d) of the annex to LOS/PCN/L.41/Rev.1 and the remainder of the application area consisting of 108,130 sq km (A_2). Thus the total area to be reserved for the Authority will be 155,420 sq km.

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Table 1. Disposition of sectors in the Application of France

(in square kilometres)

	Western region	Central region	Subtotal
Area identified by applicant for incorporation in the Area to be allocated to it	F_2 - 8 330	F_1 - 43 960	
			52 290
Selection from two areas of 22,700 sq km each in accordance with paragraph 13 (2)*			
C_1 or C_2 and B_1 or B_2	C_1 - 22 350 or C_2 - 18 980	B_1 - 4 960 or B_2 - 3 550	
			49 840
Remaining area for incorporation in the reserved Area	A_2 - 108 130		
			108 130
Area to be contributed by the applicant in accordance with paragraph 13 (1) (c) and (d)*		A_1 - 20 180	
			20 180
Total	157 790	72 650	230 440

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* References are to document LOS/PCN/41/Rev.1, annex.

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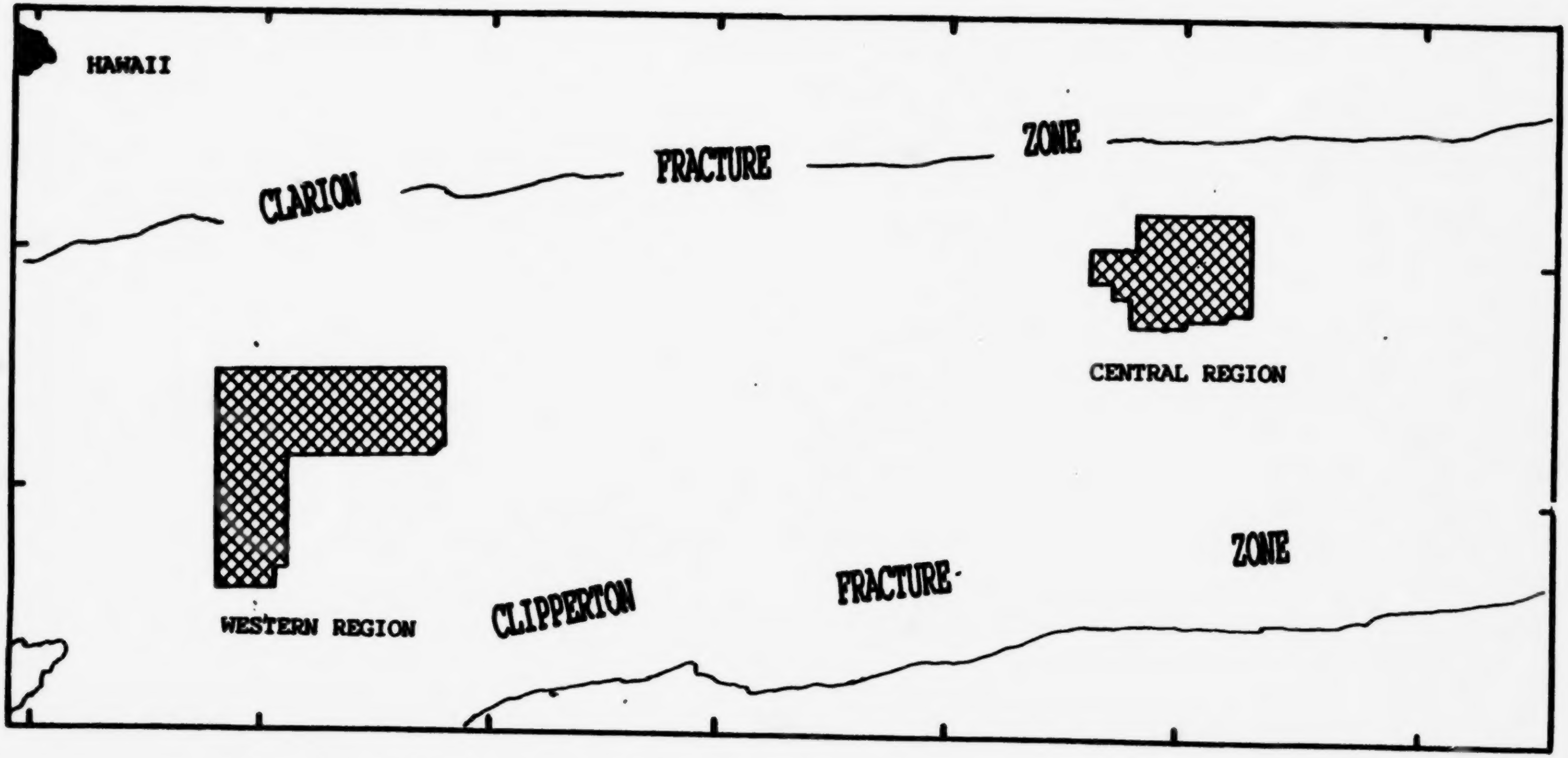
HAWAII
CLARION
FRACTURE
ZONE
CENTRAL REGION
WESTERN REGION
CLIPPERTON
FRACTURE
ZONE

Figure 1. General location of the French application areas in the Pacific Ocean.

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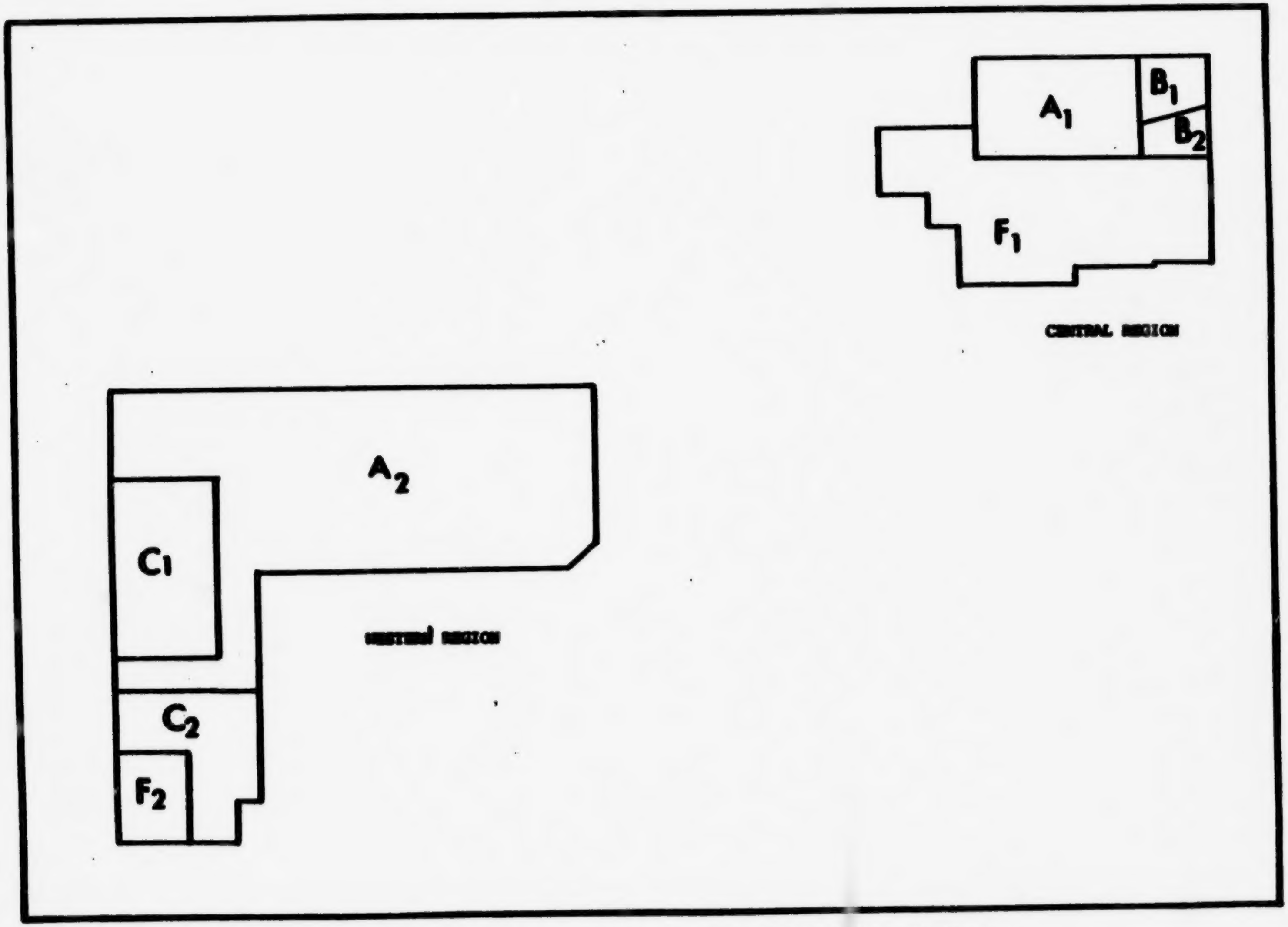
A₁
B₁
B₂
F₁
CENTRAL REGION
A₂
C₁
C₂
F₂
WESTERN REGION

Figure 2. Disposition of sectors in the application of France.

/...

E. Overlaps and identification of contributed areas

10. In order to confirm that there were no overlaps among the French, Japanese and Soviet application areas, all co-ordinates were plotted on a base map at a scale of 1:5,000,000. Common boundaries between application areas were examined graphically and by checking the individual co-ordinates. It was concluded that there were no overlaps among the areas applied for.

11. At the time applicants made their general introductory presentation to the Group, each applicant, in the presence of other applicants, identified the sector to be contributed by it to the Authority in the central region.

II. EXAMINATION OF INFORMATION AND TECHNICAL DATA SUBMITTED BY THE APPLICANT

A. Information and data submitted

12. The following technical documents were submitted in the application:

(a) Statements containing basic information related to the applicant, certification of the level of expenditure and assurances regarding the absence of overlapping areas;

(b) The primary document entitled "Application submitted by France for registration as a pioneer investor" (original in French with unofficial English translation) including sections on:

(i) Identity of the applicant;

(ii) Delineation of the area covered by the French application;

(iii) Method used to estimate the commercial value of the sectors;

(iv) Proposed division of the French application area;

(v) Means of exploration used;

(vi) Characteristics of the French application area;

(vii) Development prospects;

(c) Appendices containing:

(i) Catalogue of data collected for each sector;

(ii) Technical data on navigation, sampling and acoustic equipment;

/...

(d) The maps marked as follows:

(i) General map showing position of eastern and western zones; 1/

(ii) General map showing position of the different sectors;

(iii) Eastern zone: general map of nodule sampling localities;

(iv) Eastern zone: general map of nodule sampling localities and nodule abundance;

(v) Eastern zone: overall map of bathymetric data acquired with wide beam echosounder;

(vi) Eastern zone: simplified overall map of bathymetric data acquired with "Sea Beam" multibeam echosounder;

(vii) Eastern zone: example of detailed bathymetric relief map made with "Sea Beam" multibeam echosounder;

(viii) Western zone: general map of nodule sampling localities;

(ix) Western zone: general map of nodule sampling localities and nodule abundance.

13. The applicant's representatives also provided supplementary tables containing:

(a) A listing of sample group locations and data on metal concentration for each portion of the area covered in the application area;

(b) A numerical listing of the number of sample points that fall within various ranges of metal concentration for each portion of the area covered in the application area.

14. The representatives of the applicant provided clarifications as required on information and technical data submitted.

15. It was noted that all technical data submitted in the application have been gathered using standard and recognized methods.

B. Methodology

1. General

16. The Group reviewed the methodology used to evaluate the application of India and concluded that similar methodology should be used to evaluate the application of France. The Group considered using a number of possible indicators that might be useful in assessing equal estimated commercial values of areas. It was recognized that any approach should be based on the fact that the data reflect the

prospecting or exploration stage and that it should be based on a relative comparison of the areas and not on an assessment of absolute commercial potential or the economic feasibility of commercial operations in the areas.

17. As in the case of India, the most important factors to be considered were the metal content, nodule abundance, bathymetry and geomorphology. Because the central and western regions are separated by some distance, possible differences in weather conditions that could affect exploration and mining operations were also considered.

18. The French application provides data on 122 locations in the 230,440 sq km application area. Each location is described as a cluster of 1 to 7 (average 4) stations where photographs of the bottom and nodule sample were obtained. The distribution of the locations is variable. In the western region the distance between locations varies from 20 to 60 km, while it varies from 10 to 30 km in the central region. The applicant stated that these variations were the result of the changes that occurred in the course of resolution of conflicts with respect to overlapping claims.

2. Abundance of nodules

19. Data on average abundance and nodule tonnage supplied in the application was checked for arithmetic accuracy. Total tonnage and the average tonnage per sq km was used for comparing various sectors and areas. The geographical distribution of abundance in the different areas was reviewed on maps provided by the applicant and analysed in order to determine whether areas being evaluated contained sectors of higher abundance.

3. Metal content

20. With respect to metal content, the Group evaluated the relative amounts of nickel, cobalt and manganese contained in the nodules for the sectors being considered. The basic information used to make these comparisons was provided by the applicant as the tonnage of each metal contained in the nodules per sq km at each location. The evaluations were checked for arithmetic accuracy. It was decided not to develop separate information on copper, except in specific cases, in view of the well-established relationship between copper and nickel that allows the characteristics of copper to be closely approximated by the analysis of nickel.

21. Metal accumulation, together with per cent metal, was plotted on charts in order to evaluate the relative distribution and trends in the various sectors. This procedure was carried out for each individual metal and used to determine whether areas and sectors being evaluated contained larger areas of higher-grade nodules and/or greater quantity of contained metals.

22. As appropriate, cumulative frequency distributions of the metal accumulations in the various sectors were developed in order to allow the Group to make more detailed comparisons.

/...

4. Bathymetry and geomorphology

23. The examination of bathymetric features in all sectors of the application area was carried out by checking and comparing all maps and information provided by the applicant. The nature of the data available at the prospecting stage only allows the possibility of a regional comparison of the sectors.

24. Consideration was taken of the very detailed bathymetric mapping information provided in one portion of Sector F_1. While this type of data was not available for other sectors of the application area, it did help the Group assess the limitations of the generally available bathymetric maps. It reinforced the Group's approach that involved a general consideration of the types of bathymetric features found in the various sectors and their slope angles, size, frequency and distribution.

5. Other data

25. In addition to the above data, the applicant provided a description of the characteristics of its application area concerning the geology, the bottom morphology, the distribution of topographical obstacles as well as the nodules in quantity and quality on the bottom.

26. Complementary information was also given on the methods that could be considered for the mining and processing of the nodules.

27. This information was considered by the experts as valuable for a better understanding of the nature of the possible ore deposits.

III. DETERMINATION OF EQUAL ESTIMATED COMMERCIAL VALUE FOR THE AREA RECOMMENDED TO BE RESERVED FOR THE AUTHORITY AND THE AREA RECOMMENDED TO BE ALLOCATED TO THE APPLICANT

A. General description

1. General features

28. All the selected sectors of the applicant are situated in a structural zone striking WSW-ENE. The zone is located between the Clarion Fracture Zone to the north and the Clipperton Fracture Zone to the south. It is an exceptional zone from the standpoint of the metal content and the high abundance of polymetallic nodule deposits and their quality. This possibly results from favourable tectonic and geological conditions that largely control the process of formation of the nodules.

29. This zone contains deposits that are more attractive as compared with deposits in regions outside the zone.

30. The WSW-ENE striking structural zone is considered to be a tectonic element of the first order. Second-order tectonic elements such as abyssal hills and valleys with relief up to 200 m and volcanic structures with relief that may exceed 600 m are superimposed.

2. Abundance of nodules

31. The data provided by the applicant show high differences in the abundance values from one sample location to another. However, it emerges from the information provided by the applicant that these variations can occur on a much smaller distance of approximately 100 metres. It is consequently rather irrelevant to extend the value of each sample location to the surrounding area, even if the given data is already an average of several stations.

32. Consequently only the averaging of the measurement made in areas large enough to contain a large number of data will give a reliable result.

33. In the western region the abundance is more variable and its average is lower than in the central region.

3. Metal content

34. Nickel. Nickel grades are generally high throughout all the sectors of the application area, with the possible exception in the north-western parts. Areas of high nickel accumulation where both high grade and abundance coincide were scattered throughout the application area.

35. Cobalt. The spatial distribution of cobalt accumulation was found to be consistent with the greater part of the central region of the application area. The values in the south-western part of the central region appeared relatively higher. In the western region, the study of spatial distribution of these values was difficult on account of relatively widely spaced samples. However, better distribution of sampling locations in the southern and central portions of the western region led to the conclusion that the spatial distribution of the accumulation in the two portions was comparable.

36. Manganese. The pattern of distribution of manganese accumulations followed the trend of nickel accumulations, and similar conclusions were drawn.

4. Bathymetry and geomorphology

37. The bathymetric and geomorphological analyses of the areas have revealed that, despite some differences in the relief and frequency of secondary features, the bathymetry and geomorphology are comparable in the total application area. The sea-bottom in the application area is slightly hilly and characterized by irregularly distributed volcanic structures.

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38. In general, slopes do not exceed 8°, except for volcanic structures, where slopes may reach 10° or more. The general direction of the second order structures is mainly NNW-SSE and N-S in the central region and E-W in the western region.

39. The Group concluded that when all factors are considered the sea-bottom topography in the areas is essentially similar.

B. Selection of additional areas for allocation

1. Abundance of nodules

40. The average tonnage and abundance data for Sectors B_1 and B_2 and C_1 and C_2 do not show substantial differences between the sectors. Variations in the possible minimum and maximum tonnages do not favour any specific sector and are highly uncertain because of the sparsity of sample locations.

2. Metal content

41. Nickel. The spatial and statistical distribution of nickel accumulation indicate the potential for larger areas with higher values in sectors B_2 and C_1.

42. Cobalt. The spatial distribution of cobalt accumulation in the central region is reasonably consistent with the exception of higher values in Sector C_2. Although the nature of the distribution of sample location in the central region makes it difficult to generalize, there do not appear to be major differences between the sectors.

43. Manganese. The statistical distribution of manganese accumulation relative to two selected reference levels indicates the potential for larger areas with higher manganese values in Sectors B_2 and C_1.

3. Bathymetry and geomorphology

44. The topography in Sectors B_1 and B_2 is characterized by N-S, in Sectors C_1 and C_2 by NNW-SSE trending abyssal hills and valleys that are bounded by relatively steep side-slopes that may correspond to faults. The sectors contain sea mounts, or underwater volcanoes, that may be on the order of 10 km in diameter and have side-slopes higher than 10° in some parts.

45. In a comparison of Sectors B_1 and B_2 and C_1 and C_2 of the application areas, the Group was unable to identify, based on given data, any significant differences in regional structure, types and distribution of features, slopes or relief. The Group concluded that there are no significant differences between any of the sectors contained in the application area.

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4. Other factors

46. In addition to the previously noted factors, the Group also took into account the following:

(a) Sector B_2 contains more sample locations than Sector B_1;

(b) Sector C_1, when considered in conjunction with Sectors A_2 in this application and the Sector SA_1 and the Sector AT_2 in the Japanese application area, suggests a coherent trend of higher nickel that extends into Sector C_1 but not C_2;

(c) Since there is little data in Sectors B_1 and B_2 and there is, in general, a tendency for metal-grade nickel to increase from the northern to the central part of the Clarion-Clipperton Zone, Sector B_2 may be more favourable than B_1 on theoretical grounds;

(d) Sectors C_1 and C_2 and Sectors B_1 and B_2 are, respectively, located adjacent to each other and show no difference in regional depth nor would significant differences in weather condition be anticipated.

5. Conclusion

47. The Group decided to recommend for the consideration of the General Committee that Sectors C_1 and B_2 should be selected for incorporation into the area to be reserved for the Authority and Sectors C_2 and B_1 should be selected for incorporation into the area to be allocated to the applicant.

C. Evaluation of equal estimated commercial values of the total area to be reserved for the Authority and the total area to be allocated to the applicant

1. Criterion of size

48. With the recommendation of the additional area proposed for selection by the Group, the area that will be selected in accordance with LOS/PCN/L.41/Rev.1, annex, paragraph 13 (2), in addition to the 52,290 sq km area identified by the applicant to be allocated to it will be as follows:

In the central region B_1	4 960 sq km
In the western region C_2	18 980
Total	23 940 sq km

49. As the total area exceeds the permissible area of 75,000 sq km by 1,230 sq km, the applicant proposed to modify marginally the northern boundary of sector C_2 to meet this requirement.

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50. As a result, sector C_2 so modified will be reduced to 17,750 sq km and sector A_2 will be increased to 109,360 sq km. With these changes the criterion of size has been met.

51. With the recommendation of the additional area proposed for selection by the Group and the above adjustments, the area to be reserved for the Authority would comprise:

(a) Sector A_1 in the central region to be contributed by the applicant in accordance with paragraph 13 (1) (c) and (d) 2/	20 180 sq km
(b) The additional areas selected in accordance with paragraph 13 (2):	
Sector B_2 in the central region	3 550
Sector C_1 in the western region	22 350
(c) The remaining sector A_2 in the western region	109 360
The total area will be	155 440 sq km

52. The area to be allocated to the applicant would comprise:

(a) The areas identified by the applicant for incorporation in the area to be allocated to it:	
Sector F_1 in the central region	43 960 sq km
Sector F_2 in the western region	8 330
With a subtotal of	52 290 sq km
(b) The sectors selected in accordance with paragraph 13 (2)	
Sector B_1 in the central region	4 960 sq km
Sector C_2 in the western region	17 750
With a subtotal of	22 710 sq km
The total area to be allocated will be	75 000 sq km

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2. Evaluation of results

53. The results of all analyses carried out for the areas proposed to be reserved for the Authority and the areas proposed to be allocated to the applicant reveal the following:

(a) The area to be reserved for the Authority is much larger than the area to be allocated to the applicant. This offers more opportunities to the Authority of finding potential mine sites in the reserved area, taking also into account that it lies in the Clarion-Clipperton Zone known to have favourable geological and ore-controlling environments;

(b) The estimated total tonnages of the nodules and the metals are much higher in the area proposed to be reserved for the Authority due to its size than those proposed to be allocated to the applicant;

(c) The area containing higher abundance and metal grades relevant for future mining estimated statistically in the area to be reserved for the Authority as well as in the area to be allocated to the applicant is comparable;

(d) The geographical distribution of the areas containing high values appear more dispersed in the case of the area proposed to be reserved for the Authority than in the area proposed to be allocated to the applicant;

(e) The bathymetric and geomorphological features in the two areas are essentially similar.

3. Conclusion

54. Based on the results of investigations and analysis of the data available at the present level of prospecting and exploration for polymetallic nodules, the Group was of the view that both the areas offer similar potentials in terms of finding competitive mine sites in the respective areas. Accordingly, the estimated commercial value of the area proposed to be reserved for the Authority may thus be considered equal to the estimated commercial value of the area proposed to be allocated to the applicant.

IV. DETERMINATION OF EQUAL ESTIMATED COMMERCIAL VALUE OF AREAS REFERRED TO IN LOS/PCN/L.41/Rev.1, ANNEX, PARAGRAPH 13 (1) (c) AND (d)

1. Adequacy of data

55. The Group considered that the data provided in the applications of France, Japan and the Soviet Union were sufficient to compare the estimated commercial value of the areas formed by the contributions made by each of the three applicants with the average of the estimated commercial values of the areas identified by each applicant for incorporation into their respective allocated areas.

2. Criteria of size and location of the areas

56. The areas contributed by each applicant to the area to be reserved for the Authority under LOS/PCN/L.41/Rev.1, annex, paragraph 13 (1) (c) and (d) meet the criteria for size and are located in the north-east Pacific Ocean referred to in this report as the "central region". The areas identified by each applicant for incorporation into the respective allocated areas amount to and do not exceed the limit of 52,300 sq km for each applicant.

57. The areas contributed by the applicants and areas identified by them are as follows:

	Areas identified for incorporation into the allocated areas (sq km)		Contributed areas (sq km)	
Applicant	Actual	Criteria	Actual	Criteria
France	52 290	52 300	20 180	20 000
Japan	52 300	52 300	17 300	17 300
Soviet Union	52 300	52 300	15 000	15 000

3. Results of evaluation

58. The results of various analyses made by the Group indicated that the combination of contributed areas were similar to the average of the three identified areas in respect of bathymetry. In respect of the average *in situ* tonnage of wet nodules, the average of the three identified areas was higher than the combination of contributed areas by 1 per cent. In respect of average manganese, nickel and copper metal tonnages *in situ*, the difference between the combined contributed areas and the average of the three identified areas was in the range of 6-8 per cent in favour of the identified areas, while for cobalt the difference was about 3 per cent in favour of the combination of contributed areas. These differences may be viewed in the context of the estimation error of about 30 per cent, which is normal at this level of prospecting and exploration. It was further noted that the range of calculated tonnages for nodules as well as the metals were comparable particularly with respect to their upper limits.

59. The Group also noted that with the data available at this level of prospecting and exploration and with the attendant uncertainty in the estimates, the differences in *in situ* resources of the above magnitude were within the range of estimation errors in such situations. With the present level of knowledge, therefore, it emerges that the areas contributed by the applicants to be reserved for the Authority provide it with a fair and reasonable opportunity to find and develop a mine site that could be competitive with the mine sites that may be found in the areas identified by each applicant.

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4. Conclusion

60. In view of the above considerations, the Group concluded that the estimated commercial value of the combination of the contributed areas may be considered to be equal to the average of the estimated commercial value of the areas identified by each of the three applicants.

V. RECOMMENDATIONS

61. The following conclusions were reached unanimously by the Group.

(a) Having examined the particulars submitted by the applicant which are summarized in part I of the present report, the Group has concluded that the application has been submitted in accordance with resolution II and the understandings contained in documents LOS/PCN/L.41/Rev.1 and LOS/PCN/L.43/Rev.1.

(b) As regards the designation of the reserved area and the allocation of the pioneer area, the Group, in the light of the conclusions reached in the present report, agreed to recommend for the consideration of the General Committee:

(i) That the area consisting of Sector A_1 (20,180 sq km in the central region), Sector B_2 (3,550 sq km in the central region), Sector C_1 (22,350 sq km in the western region), and Sector A_2 (109,360 sq km in the western region) with a total of 155,440 sq km should be designated as the reserved area;

(ii) That the area consisting of Sector F_1 (43,960 sq km in the central region), Sector F_2 (8,330 sq km in the western region), Sector B_1 (4,960 sq km in the central region) and Sector C_2 (17,750 sq km in the western region) with a total of 75,000 sq km should be designated as the pioneer area to be allocated to the applicant.

Notes

1/ Referred to elsewhere in this report as central and western regions respectively.

2/ The paragraphs referred to are in document LOS/PCN/L.41/Rev.1, annex.

Annex I

LIST OF MEMBERS OF THE GROUP OF TECHNICAL EXPERTS

1. Mr. Samuel Sona Betah
Sub-Director of Geology
Ministry of Mines and Power
Yaoundé, Cameroon

2. Dr. Zhang Bingxi
Chairman, Advisory Committee for Science and Technology
Ministry of Geology and Mineral Resources
Beijing 100812, People's Republic of China

3. Dr. Alfredo José da Silva Netto
Assistant to the Directorate for Exploration and Production
PETROBRAS
Avenida República do Chile, 65, 23 Andar
Rio de Janeiro, RJ 20035
Brazil

4. Dr. Igor Sergeevich Gramberg
Director, Institute of Geology and Mineral Resources
  of the World's Oceans
Ministry of Geology of the USSR
Moscow, USSR

5. Dr. Knut S. Heier
Director
Geological Survey of Norway
Leiv Eirikssons v. 39
P.O. Box 3006 Lade
N-7002 Trondheim
Norway

6. Mr. Takeshi Izumi
Director General
Overseas Activities Department
Metal Mining Agency of Japan
Tokiwa Building,
1-24-14, Toranomon, Minato-ku
Tokyo, Japan

7. Mr. Hicuunga H. E. Kambaila
Chief Inspector of Mines
Mines Safety Department
P.O. Box 21006
Kitwe, Republic of Zambia

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8. Mr. Naphtali Ndiritu Kamundia
Geologist, Government of Kenya
P.O. Box 30009
Nairobi, Kenya

9. M. Jean-Pierre Lenoble
Institut français de recherche pour l'exploitation de la mer (IFREMER)
Chargé de Mission "Nodules polymétalliques" auprès du Président Directeur Général
66 Avenue d'Iéna
75116 Paris, France

10. Dr. Alfonso López-Reina
Director de Investigaciones Científicas de la Universidad Militar de Colombia
Carrera 11, calle 100
Bogotá, Colombia

11. Mr. Sulaiman Zuhdi Pane
General Manager, Joint Operating Body (JOB)
Pertamina-Japex North Sumatra Ltd.
Skyline Building, 19th Floor
Jln. M.H. Thamrin No. 9
Jakarta-10340, Indonesia

12. Ing. Luis G. Preval Páez
Principal Specialist of the Production, Investments and Metallurgical Mining Development Division of the Ministry of Basic Industry
Havana, Cuba

13. Mr. David W. Pasho
Director, Ocean Mining Division
Mineral Policy Sector
Department of Energy, Mines and Resources
Ottawa, Canada

14. Dr. Bodo Schirmer
Special Representative of the Minister of Geology
Central Geological Institute
Invalidenstrasse 44
1040 Berlin
German Democratic Republic

15. Dr. T. R. P. Singh
Senior Manager
Engineers India Ltd.,
R. K. Puram
New Delhi 110066
India

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C. DECISION ADOPTED ON 17 DECEMBER 1987 BY THE GENERAL COMMITTEE OF THE PREPARATORY COMMISSION FOR THE INTERNATIONAL SEA-BED AUTHORITY AND FOR THE INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA ON THE APPLICATION OF THE GOVERNMENT OF FRANCE AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

1. Pursuant to resolution II of the Third United Nations Conference on the Law of the Sea and the statement on the implementation of resolution II of the Preparatory Commission of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex) and the statement of understanding on the implementation of resolution II of 10 April 1987 (LOS/PCN/L.43/Rev.1), the General Committee, in accordance with rule 14, paragraph 3, of the rules of procedure of the Preparatory Commission, considered the application submitted by the Government of the Republic of France on behalf of Institut Français de Recherche pour l'Exploitation de la Mer (IFREMER), acting on behalf of Association Française d'Etudes et de Recherche des Nodules (AFERNOD) for registration as a pioneer investor under resolution II. The General Committee had before it a report of the Group of Technical Experts (LOS/PCN/BUR/R.2) established by the Preparatory Commission to examine the application. In addition, the applicant had released for the consideration of the General Committee excerpts from its application (LOS/PCN/BUR/INF/R.4 and LOS/PCN/BUR/INF/R.6).

2. The General Committee noted that, in accordance with paragraph 4 of the statement of understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex), the Group of Technical Experts had concluded that the application of France had been submitted in conformity with resolution II and, inter alia, the General Committee noted that the Group of Technical Experts concluded that:

(a) The estimated commercial value of the area proposed to be reserved for the Authority may be considered equal to the estimated commercial value of the area proposed to be allocated to the applicant;

(b) The estimated commercial value of the contributed areas in the north-east Pacific Ocean referred to in the report of the Group of Technical Experts as the "central region" may be considered to be equal to the average of the estimated commercial value of the areas identified by the three applicants, namely France, Japan and the Union of Soviet Socialist Republics, for incorporation into their respective areas.

3. The General Committee also notes that the Republic of France, having signed the United Nations Convention on the Law of the Sea on 10 December 1982, as a certifying State, stated that:

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* Originally issued under the symbol LOS/PCN/97.

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(a) The application area is located beyond the limits of national jurisdiction of any State;

(b) The application area is free from overlapping claims;

(c) The applicant agrees to pay the fee of $US 250,000 to the Preparatory Commission as soon as certain administrative arrangements have been made for the transfer of such fees;

(d) The applicant undertakes to comply with the provisions of resolution II of the Third United Nations Conference on the Law of the Sea, including paragraph 12. It will also conduct its pioneer activities in accordance with the relevant provisions of resolution II and the principles relating to the preservation of the marine environment as set out in the United Nations Convention on the Law of the Sea;

(e) The pioneer activities shall be conducted in a manner compatible with the United Nations Convention on the Law of the Sea.

4. The General Committee, having considered the application submitted by France and taking into account the report submitted by the Group of Technical Experts, has noted with appreciation the conclusions reached by the Group of Technical Experts:

(a) That the application submitted by France is in conformity with resolution II and the statements contained in documents LOS/PCN/L.41/Rev.1, annex, and LOS/PCN/L.43/Rev.1;

(b) That the area consisting of Sector A_1 (20,180 sq km in the central region), Sector B_2 (3,550 sq km in the central region), Sector C_1 (22,350 sq km in the western region) and Sector A_2 (109,360 sq km in the western region), with a total of 155,440 sq km (hereinafter referred to as Area A(F)), be designated as the reserved area;

(c) That the area consisting of Sector F_1 (43,960 sq km in the central region), Sector F_2 (8,330 sq km in the western region), Sector B_1 (4,960 sq km in the central region) and Sector C_2 (17,750 sq km in the western region), with a total of 75,000 sq km (hereinafter referred to as Area B(F)), be designated as the pioneer area to be allocated to the applicant.

5. The Committee further notes that the list of co-ordinates of Areas A(F) and B(F) has been deposited with the Secretary-General.

6. Accordingly, the General Committee, taking into account the readiness of the applicant and the certifying State to comply with their obligations under resolution II and the statements contained in documents LOS/PCN/L.41/Rev.1, annex, and LOS/PCN/L.43/Rev.1,

DECIDES:

(a) To designate Area A(F) as part of the application area which is to be reserved for the conduct of activities by the Authority in the area through the Enterprise or in association with developing States;

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(b) To allocate Area B(F) as a pioneer area to the applicant, Institut Français de Recherche pour l'Exploitation de la Mer (IFREMER), acting on behalf of Association Française d'Etudes et de Recherche des Nodules (AFERNOD);

(c) To annex the co-ordinates of Areas A(F) and B(F) hereto;

(d) That a certificate of registration shall be issued to the applicant.

7. The certificate of registration of the application submitted by the Government of the Republic of France on behalf of Institut Français de Recherche pour l'Exploitation de la Mer (IFREMER), acting on behalf of Association Française d'Etudes et de Recherche des Nodules (AFERNOD), shall record:

(a) The identity of the applicant and of the certifying State;

(b) The date of signature of the Convention by the certifying State;

(c) The date of receipt of the application and any revisions thereto;

(d) The date of the decision for registration as a pioneer investor;

(e) The date of registration as a pioneer investor;

(f) The precise geographical co-ordinates of the area allocated to the applicant as a pioneer area;

(g) The exclusive right of the pioneer investor to carry out pioneer activities in the pioneer area allocated to it under resolution II of the Third United Nations Conference on the Law of the Sea;

(h) The requirement of compliance by the pioneer investor with its obligations under resolution II and the statements contained in documents LOS/PCN/L.41/Rev.1, annex, and LOS/PCN/L.43/Rev.1;

(i) The requirement of compliance by the certifying State with its commitments under resolution II.

8. The General Committee

REQUESTS the Secretary-General of the United Nations:

(a) To inform all the participants of the Preparatory Commission of this decision;

(b) To give due publicity to the co-ordinates of Areas A(F) and B(F);

(c) To maintain a register for the purpose of registering the pioneer investor and to record the reserved area;

(d) To advise the applicant of the administrative arrangements necessary for the payment of the fee and to prepare and issue to the applicant a certificate of registration.

Annex

CO-ORDINATES OF THE TURNING POINTS OF AREAS A(F) AND B(F) REFERRED TO IN PARAGRAPH 6 (a) AND (b) OF THIS DECISION

(These co-ordinates previously constituted annex II to the report of the Group of Technical Experts (LOS/PCN/BUR/R.2).)

1. Area A(F), designated as the area reserved for the conduct of activities by the Authority in the Area through the Enterprise or in association with developing States, is bounded by lines joining the following turning points, the co-ordinates of which are listed below:

Turning points	Latitude (N)	Longitude (W)
1	16° 00'	131° 00'
2	16° 00'	129° 18'
3	15° 20'	129° 18'
4	15° 30'	128° 35'
5	15° 00'	128° 35'
6	15° 00'	131° 00'
1	16° 00'	131° 00'
1	12° 50'	151° 00'
2	12° 50'	146° 00'
3	11° 15'	146° 00'
4	11° 00'	146° 19'
5	11° 00'	149° 30'
6	09° 44' 56"	149° 30'
7	09° 44' 56"	151° 00'
1	12° 50'	151° 00'

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2. Area B(F), allocated as a pioneer area to the applicant, Institut Français de Recherche Pour l'Exploitation de la Mer (IFREMER), acting on behalf of Association Française d'Etudes et de Recherche des Nodules (AFERNOD), is bounded by lines joining the following turning points, the co-ordinates of which are listed below:

Turning points	Latitude (N)	Longitude (W)
1	16° 00'	129° 18'
2	16° 00'	128° 35'
3	15° 30'	128° 35'
4	15° 20'	129° 18'
1	16° 00'	129° 18'
1	15° 20'	132° 00'
2	15° 20'	131° 00'
3	15° 00'	131° 00'
4	15° 00'	128° 35'
5	13° 58'	128° 35'
6	13° 58'	129° 10'
7	13° 55'	129° 10'
8	13° 55'	130° 00'
9	13° 45'	130° 00'
10	13° 45'	131° 10'
11	14° 20'	131° 10'
12	14° 20'	131° 30'
13	14° 40'	131° 30'
14	14° 40'	132° 00'
1	15° 20'	132° 00'
1	9° 44' 56"	151° 00'
2	9° 44' 56"	149° 30'
3	8° 40'	149° 30'
4	8° 40'	149° 45'
5	8° 15'	149° 45'
6	8° 15'	151° 00'
1	9° 44' 56"	151° 00'

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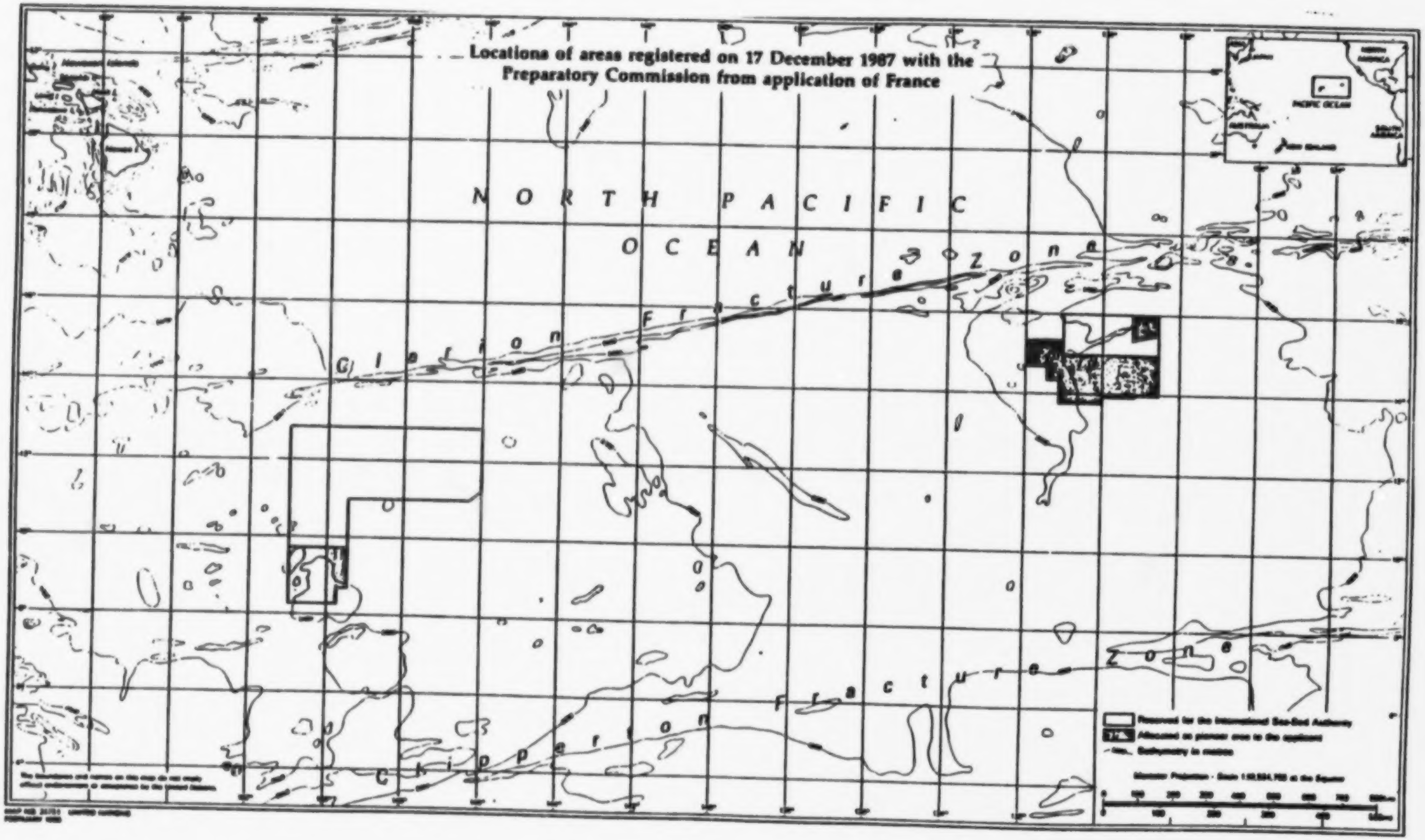
D. MAP OF LOCATIONS OF AREAS REGISTERED ON 17 DECEMBER 1987 WITH THE PREPARATORY COMMISSION FROM APPLICATION OF FRANCE


Locations of areas registered on 17 December 1987 with the Preparatory Commission from application of France
NORTH PACIFIC OCEAN
Clarion Fracture Zone
Clipperton Fracture Zone
PACIFIC OCEAN
Reserved for the International Sea-Bed Authority
Allocated as pioneer area to the applicant
Bathymetry in metres

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III. REGISTRATION OF THE GOVERNMENT OF JAPAN

A. RECEIPT OF APPLICATION FROM THE GOVERNMENT OF JAPAN FOR REGISTRATION OF THE JAPANESE ENTERPRISE "DEEP OCEAN RESOURCES DEVELOPMENT CO., LTD." AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

Note by the Secretary-General

1. In accordance with the procedures and guidelines for registration of pioneer investors under resolution II of the Third United Nations Conference on the Law of the Sea, as contained in annex II of document LOS/PCN/27 dated 8 September 1983, the Secretary-General informs the Preparatory Commission that on 21 August 1984 the Special Representative of the Secretary-General for the Law of the Sea received from the Permanent Mission of Japan in Geneva a letter dated 21 August 1984, addressed to the Chairman of the Preparatory Commission, submitting an application for the registration of the Japanese enterprise "Deep Ocean Resources Development Co., Ltd." as a pioneer investor under the provisions of resolution II. The texts of the covering letter and of the application submitted are annexed hereto.

2. The application was accompanied by a sealed box said to contain details relating to the application.

3. The Government of Japan signed the United Nations Convention on the Law of the Sea on 7 February 1983.

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* Originally issued under the symbol LOS/PCN/50.

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ANNEX

LETTER DATED 21 AUGUST 1984 FROM THE PERMANENT REPRESENTATIVE OF JAPAN TO THE OFFICE OF THE UNITED NATIONS ADDRESSED TO THE CHAIRMAN OF THE PREPARATORY COMMISSION

Upon instructions from my Government, I have the honour to transmit an application for the registration of the Japanese enterprise "Deep Ocean Resources Development Co., Ltd." as a pioneer investor. The geographical co-ordinates of the application area and a statement certifying the level of expenditure are attached to the application in a sealed package in order to preserve their confidentiality.

I should be grateful if you could arrange for the contents of this letter and the attached application, save for the sealed package, to be circulated as an official document of the Preparatory Commission.

(*Signed*) Kazuo Chiba
Ambassador
Permanent Representative of Japan
to the Office of the United Nations

The Government of Japan, which signed the United Nations Convention on the Law of the Sea on 7 February 1983, hereby submits as a certifying State to the Preparatory Commission on behalf of the Japanese enterprise "Deep Ocean Resources Development Co., Ltd." (hereinafter referred to as DORD), which is located in 2-8 Kanda Surugadai, Chiyoda-ku, Tokyo, and the President of which is Mr. Yoshio Tadenuma, an application for registration of the enterprise as a pioneer investor, in accordance with resolution II included in the Final Act of the Third United Nations Conference on the Law of the Sea.

A statement by the Government of Japan certifying the level of expenditure made in accordance with paragraph 1 (a) of resolution II is contained in the sealed package attached to this letter.

The co-ordinates of the area, which has sufficient estimated commercial value to allow two mining operations and does not exceed 300,000 square kilometres, are also contained in the sealed attachment. It is certified that the initial list of the co-ordinates of the area was submitted on 20 September 1982, by DORD to the Ministry of International Trade and Industry, and was amended on 22 February 1984 as a result of the resolution of conflicts with some of the pioneer investors referred to in paragraph 1 (a) of resolution II, including the French consortium "Association Française pour l'Etude et la Recherche des Nodules (AFERNOD)". It is presumed that no overlapping of claimed areas exists among the pioneer investors referred to in paragraph 1 (a) (i) and (ii) of resolution II except with regard to the Soviet enterprise "Southern Production Association for Marine Geological Operations".

The present application should not be interpreted in any way as changing the position of the Government of Japan with regard to the implementation of resolution II expressed in our letters dated 28 April 1983, 29 March 1984 and 12 April 1984 addressed to you. It means that the Government of Japan still considers that no application should be examined by the Preparatory Commission unless overlapping conflicts are resolved among countries concerned and the Commission becomes fully ready to receive an application pursuant to paragraph 2 of resolution II and in accordance with the relevant rules and procedures to be adopted by the Preparatory Commission. Therefore, the present application and the other similar applications should not be examined for the moment, until all the relevant conditions will have been satisfied. In this connection it is understood that the sealed attachment shall not be opened without the written consent of the Government of Japan.

It is noted that the Rules and Procedures for Registration of Pioneer Investors have not been completed and adopted by the Preparatory Commission. Therefore, depending upon the final contents of those Rules and Procedures, the present application may have to be either reformulated or even altered in conformity with them. That possibility may affect the manner of presenting the co-ordinates and other confidential information now contained in the sealed attachment. Therefore, the Government of Japan reserves its right to withdraw from the custody of the Preparatory Commission the sealed attachment in those circumstances and to resubmit it to the Preparatory Commission after making necessary adjustments.

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RECEIPT OF A REVISED APPLICATION FROM THE GOVERNMENT OF JAPAN FOR THE REGISTRATION OF THE JAPANESE ENTERPRISE "DEEP OCEAN RESOURCES DEVELOPMENT COMPANY, LTD." AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

Note by the Secretary-General

In accordance with the statement on the implementation of resolution II (LOS/PCN/L.41/Rev.1, annex) adopted by the Preparatory Commission in New York on 5 September 1986 and the statement of understanding on the implementation of resolution II (LOS/PCN/L.43/Rev.1) adopted by the Preparatory Commission at Kingston on 10 April 1987, the Secretary-General hereby informs the Preparatory Commission of the receipt on 20 July 1987 of a letter of the same date from the Permanent Mission of Japan to the United Nations addressed to the Chairman of the Preparatory Commission, enclosing a revised application for the registration of the Japanese enterprise "Deep Ocean Resources Development Company, Ltd." as a pioneer investor under the provisions of resolution II, governing preparatory investment in pioneer activities in the deep sea-bed relating to polymetallic nodules. The text of the letter is annexed hereto.

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* Originally issued under the symbol LOS/PCN/86.

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Annex

LETTER DATED 20 JULY 1987 FROM THE PERMANENT REPRESENTATIVE OF JAPAN TO THE UNITED NATIONS ADDRESSED TO THE CHAIRMAN OF THE PREPARATORY COMMISSION

With reference to our letter of 21 August 1984, concerning the submission of an application for the registration of the Japanese enterprise "Deep Ocean Resources Development Company, Ltd." as a pioneer investor under the provisions of resolution II (LOS/PCN/50), and to the statement on the implementation of resolution II (LOS/PCN/L.41/Rev.1) adopted by the Preparatory Commission in New York on 5 September 1986 as well as the statement of understanding on the implementation of resolution II (LOS/PCN/L.43/Rev.1) adopted by the Preparatory Commission at Kingston on 10 April 1987, I have the honour to transmit herewith, upon instructions from my Government, a revised application for the registration of the Japanese enterprise mentioned above. All documents and data, including the geographical co-ordinates of the revised application area and a statement certifying the level of expenditure, are attached to the revised application.

In accordance with paragraph 9 of the statement of understanding on the implementation of resolution II (LOS/PCN/L.43/Rev.1), the Government of Japan reserves the right to withdraw volume II (in the sealed package) of the revised application in order to make necessary adjustments to data contained therein any time before the application is examined by the Group of Technical Experts. It would be appreciated if the original application could be returned.

I should be grateful if you could arrange for the contents of this letter to be circulated as an official document of the Preparatory Commission.

(Signed) K. KIKUCHI
Ambassador Extraordinary and
Plenipotentiary
Permanent Representative of Japan
to the United Nations

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B. REPORT OF THE GROUP OF TECHNICAL EXPERTS TO THE GENERAL COMMITTEE OF THE PREPARATORY COMMISSION FOR THE INTERNATIONAL SEA-BED AUTHORITY AND FOR THE INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA ON THE APPLICATION OF THE GOVERNMENT OF JAPAN FOR REGISTRATION AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

LETTER OF TRANSMITTAL

4 December 1987

Mr. José Luis Jesus
Chairman of the Preparatory Commission for
the International Sea-Bed Authority and
for the International Tribunal for the
Law of the Sea
New York, New York

Dear Mr. Chairman,

We, the members of the Group of Technical Experts, appointed by the Chairman of the Preparatory Commission to examine the application of the Government of Japan, on behalf of Deep Ocean Resources Development Co., Ltd. (DORD), for registration as a pioneer investor in accordance with resolution II of the Third United Nations Conference on the Law of the Sea, have the honour to submit the attached report to the General Committee. The Group of Experts has undertaken an examination of the application in accordance with its mandate, and the attached report which was unanimously adopted contains the result of this examination.

The meeting was held at United Nations Headquarters in New York. The Group met between 23 November and 4 December 1987, during which period the Group held 22 sessions.

The Group wishes to express its appreciation for the co-operation of the representatives of the applicant, Deep Ocean Resources Development Co., Ltd., and the Government of Japan.

The Group of Experts would like to thank you and the Preparatory Commission for the opportunity to assist on the matter of registration of Japan. The Group also wishes to draw to your attention the valuable contribution made by the Special

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* Originally issued under the symbol LOS/PCN/BUR/R.3.

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Representative of the Secretary-General for the Law of the Sea, Mr. Satya N. Nandan, and the Law of the Sea secretariat in providing assistance throughout our meetings.

Yours sincerely,

Signed in New York on 4 December 1987:

Samuel SONA BETAH
(Cameroon)

ZHANG Bingxi
(China)

Alfredo José DA SILVA NETTO
(Brazil)

Igor Sergeevich GRAMBERG
(Union of Soviet Socialist Republics)

Knut S. HEIER
(Norway)

Takeshi IZUMI
(Japan)

Hicuunga H. E. KAMBAILA
(Zambia)

Naphtali Ndiritu KAMUNDIA
(Kenya)

Jean-Pierre LENOBLE
(France)

Alfonso LOPEZ-REINA
(Colombia)

Sulaiman Zuhdi PANE
(Indonesia)

Luis G. PREVAL PAEZ
(Cuba)

David W. PASHO
(Canada)

Bodo SCHIRMER
(German Democratic Republic)

T. R. P. SINGH
(India)

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INTRODUCTION

1. The Group of Technical Experts was established in accordance with the decision taken by the Preparatory Commission of the International Sea-Bed Authority and for the International Tribunal for the Law of the Sea which is embodied in paragraph 6 of the Statement of understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex). The Group was mandated to determine whether the applications for registration as pioneer investors are in conformity with resolution II of the Third United Nations Conference on the Law of the Sea, in particular with the principle of equal estimated commercial value, subject to the guidelines and procedures set forth in the Statement of understanding of 5 September 1986 and the Statement of understanding of 10 April 1987 (LOS/PCN/L.43/Rev.1) and to submit a report on each application to the General Committee. The Group noted that, in case of there being different opinions among its members, such opinions shall be included in the report. (LOS/PCN/L.41/Rev.1, annex, para. 4).

2. In accordance with the relevant decision of the Preparatory Commission, the application of Japan on behalf of Deep Ocean Resources Development Co., Ltd. (DORD), a corporation registered in Japan, was examined to ensure whether it was in conformity with resolution II, taking into account:

(a) That applicants who do not have practical problems and do not make voluntary advance relinquishments of areas shall be deemed to have complied with the requirements for relinquishment under resolution II, paragraph 1 (e), upon registration, provided that the total pioneer area allocated to them does not exceed 75,000 sq km (see LCS/PCN/L.41/Rev.1, annex, para. 10); and

(b) That "applicants with overlapping claims, namely France, Japan and the USSR, shall contribute portions of areas in the north-east Pacific Ocean covered by their respective revised applications that will constitute part of the area to be reserved for the Authority The areas so contributed may be incorporated in any area for which the Enterprise may wish to submit a plan of work, and together they shall be of equal estimated commercial value to at least the average estimated commercial value of the three areas of up to 52,300 sq km to be allocated to the pioneer investors" pursuant to subparagraph (d) of this paragraph;

(c) "The contributions to be made by the three applicants for this purpose shall be as follows:

(i) France - an area totalling 20,000 sq km adjacent to its presently overlapping area with the Soviet Union;

(ii) Japan - an area totalling 17,300 sq km adjacent to its presently overlapping area with the Soviet Union;

(iii) Soviet Union - an area totalling 15,000 sq km 14,549 sq km of which will be from within its presently overlapping areas with France and with Japan and 451 sq km which it obtains from France following adjustment of claims between the two applicants;

(d) "The total area to be allocated to each applicant shall not exceed 75,000 sq km after any relinquishment of areas referred to in paragraphs 9, 10 and 11 has been made. For the purpose of allocation, each applicant may indicate in its application portions of its application area up to a limit of 52,300 sq km that shall form part of the total area to be allocated to it by the Commission. In addition to the areas indicated by the applicants, the Commission shall allocate, in accordance with resolution II, paragraph 3, an area from their respective application areas necessary to complete the total area to be allocated to each applicant (see LOS/PCN/L.41/Rev.1, annex, para. 13 (1) (c) and (d) and (2)).

3. The Group of Technical Experts commenced its work on the morning of 23 November 1987. The Special Representative briefed the Group on its mandate and outlined the specific procedures that were in effect to ensure the confidentiality of data and information contained in the applications for registration before the Group.

4. The Group met again in the afternoon of 23 November 1987, at which time the Chairman of the Preparatory Commission, Mr. José Luis Jesus, addressed the Group. The Group then began its consideration of the three applications before it, beginning with the application of France.

5. The Group structured its work as follows:

(a) Stage I would involve:

(i) A preliminary examination of all technical data that was submitted for the application area;

(ii) A more detailed evaluation of data in the sectors where the Group will make recommendations to the General Committee concerning which sectors should be reserved for the Authority;

(iii) A tentative recommendation as to which sectors should be reserved for the Authority;

(b) For Stage II the Group felt it should have the benefit of technical data in those sectors from other applications that are adjacent to sectors in the Japanese application. After taking this information into account, the Group:

(i) Made a final recommendation concerning which sectors should be reserved for the Authority. The results are to be outlined in part III of the Group's report;

(ii) Determined whether the total area recommended for reservation by the Authority is of equal estimated commercial value to the area allocated to the applicant (LOS/PCN/L.41/Rev.1, annex, para. 13 (1) (b)). The results are to be outlined in part III C of the Group's report;

(c) Stage III involved a comparison of the average estimated commercial value of the three areas identified by the respective applicants to be allocated to each applicant by the Commission (LOS/PCN/L.41/Rev.1, annex, para. 13 (2)), with the estimated commercial value of the total area composed of the contributions made by the applicants pursuant to LOS/PCN/L.41/Rev.1, annex, paragraph 13 (1) (d). On the basis of this evaluation the Group would advise the General Committee whether or not the estimated commercial value of the contributed areas reserved for the Authority is equal to at least the average estimated commercial value of the three identified by the applicants for incorporation into the respective areas to be allocated to them. The results are to be presented in part IV of the Group's report.

6. The Group completed its work in the afternoon of 5 December 1987. In view of the large volume of work involved in processing and analysing the three applications, the Group had to work for long hours each day, including a public holiday and the weekends. During the entire period of work, the Secretariat provided all necessary facilities and assistance.

I. BASIC INFORMATION REGARDING THE APPLICATION

A. Identification of the Applicant

1. Name of of State(s) or certifying State(s):

Japan

2. Date of Signature of the Convention by the certifying State or States:

7 February 1983

3. Applicant:

a. Name Deep Ocean Resources Development Co., Ltd. (DORD)

b. Mailing Address
2-8 Kanda Surugadai
Chiyoda-ku
Tokyo, Japan

c. Telephone Number 03-294-4871

Telex Address 02224066 DORD J

d. Name of Designated Representative or Designated Authority Deep Ocean Resources Development Co., Ltd. (DORD)

e. Mailing Addresses
2-8 Kanda Surugadai
Chiyoda-ku, Tokyo, Japan

f. Telephone Number 03-294-4871

Telex Address 02224066 DORD J

/...

4. Status of the Applicant under resolution II, paragraph (1) (a) (i):

State ☐

State enterprise ☐

Natural or juridical person ☒

5. Certificate of registration as a juridical person (if applicable)

Submitted: Yes ☒ No ☐

Not Applicable ☐

6. Date of receipt of application: 21 August 1984

7. Date of receipt of revised application: 12 November 1987

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B. Data submitted by the Applicant

1. Certification of required levels of expenditures

Submitted: Yes ☒ No ☐

2. Assurances of absence or resolution of conflicts concerning overlapping claims

Submitted: Yes ☒ No ☐

3. Co-ordinates of the application area

Submitted: Yes ☒ No ☐

4. Data with respect to both parts of the application area used to estimate commercial value of each part

Submitted: Yes ☒ No ☐

5. Assurances that the application area is located beyond the limits of national jurisdiction of any State

Submitted: Yes ☒ No ☐

6. Assurances of compliance with the provisions of resolution II and the Statement of understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1)

Submitted: Yes ☒ No ☐

C. Payment of Fee:

The applicant states that it will pay the fee of $US 250,000 to the Preparatory Commission after receiving the notification of registration of Deep Ocean Resources Development Co., Ltd. (DORD) as a pioneer investor.

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D. The application area and its division between the reserved area and the allocated area

7. The application area of Japan covers a total of approximately 225,000 sq km in the Clarion-Clipperton Zone of the Pacific Ocean. This area is distributed in three regions of 167,200 sq km, 41,900 sq km and 15,900 sq km respectively. The area of 41,900 sq km is located in the portion of the Clarion-Clipperton zone which is referred to as the "central" region (see table 1 and figures 1 and 2). This area consists of three segments. The other two areas are located in the eastern and western regions of the Clarion-Clipperton Zone, consisting of one segment and six segments respectively.

8. In accordance with paragraph 13 (2) of the annex to document LOS/PCN/L.41/Rev.1, the applicant has identified an area of 52,300 sq km for incorporation in the total area of 75,000 sq km to be allocated to it, in accordance with paragraph 10 of that document. This area consists of two segments: one of 18,000 sq km (SA_2) in the central region and the other of 34,300 sq km (SA_1) in the western region. In order to make up the 75,000 sq km to be allocated to the applicant, the applicant further identified two areas totalling 22,700 sq km each consisting respectively of Segment A of 22,700 sq km and two segments, B_1 in the western region and B_2 in the eastern region, of 6,800 sq km of 15,900 sq km respectively.

9. The total reserved area for the Authority will then consist of one of the two areas of 22,700 sq km, the area of 17,300 sq km contributed by the applicant in accordance with paragraph 13 (1) (c) and (d) of the annex to LOS/PCN/L.41/Rev.1 and the remainder of the application area consisting of 110,000 sq km. The latter area of 110,000 sq km is composed of sector AT_1 of 43,500 sq km, sector AT_2 of 23,100 sq km and sector AT_3 of 36,800 sq km, all in the western region, and the sector AT_4 of 6,600 sq km in the central region. Thus the total area to be reserved for the Authority will be 150,000 sq km.

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Table 1. Disposition of sectors in the application of Japan

(in square kilometres)

	Western region	Central region	Eastern region	Subtotals
Area identified by applicant for incorporation in the Area to be allocated to it	SA_1- 34 300	SA_2- 18 000		
				52 300
Selection from two areas of 22,700 sq km each in accordance with paragraph 13 (2)*				
A	22 700			22 700
or				
B_1 and B_2	B_1 6 800		B_2 15 900	22 700
				45 400
Remaining area for incorporated in the reserved Area	AT_1 43 500 AT_2 23 100 AT_3 36 800	AT_4 6 600		
				110 000
Area to be contributed by the applicant in accordance with paragraph 13 (1) (c) and (d)*		CONT - 17 300		
				17 300
Total	167 200	41 900	15 900	225 000

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* References are to document LOS/PCN/41/Rev.1, annex.

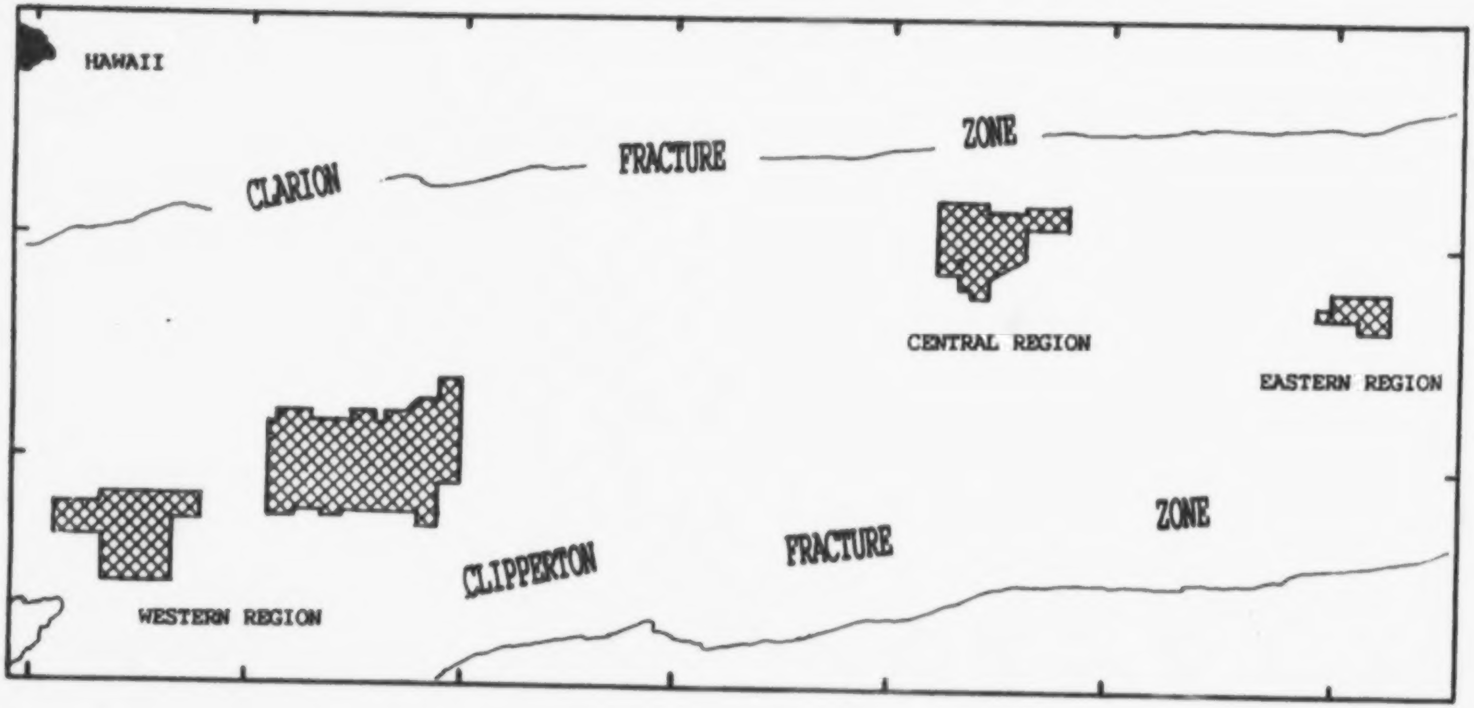
HAWAII
CLARION FRACTURE ZONE
CENTRAL REGION
EASTERN REGION
WESTERN REGION
CLIPPERTON FRACTURE ZONE

Figure 1. General location of the Japanese application areas in the Pacific Ocean.

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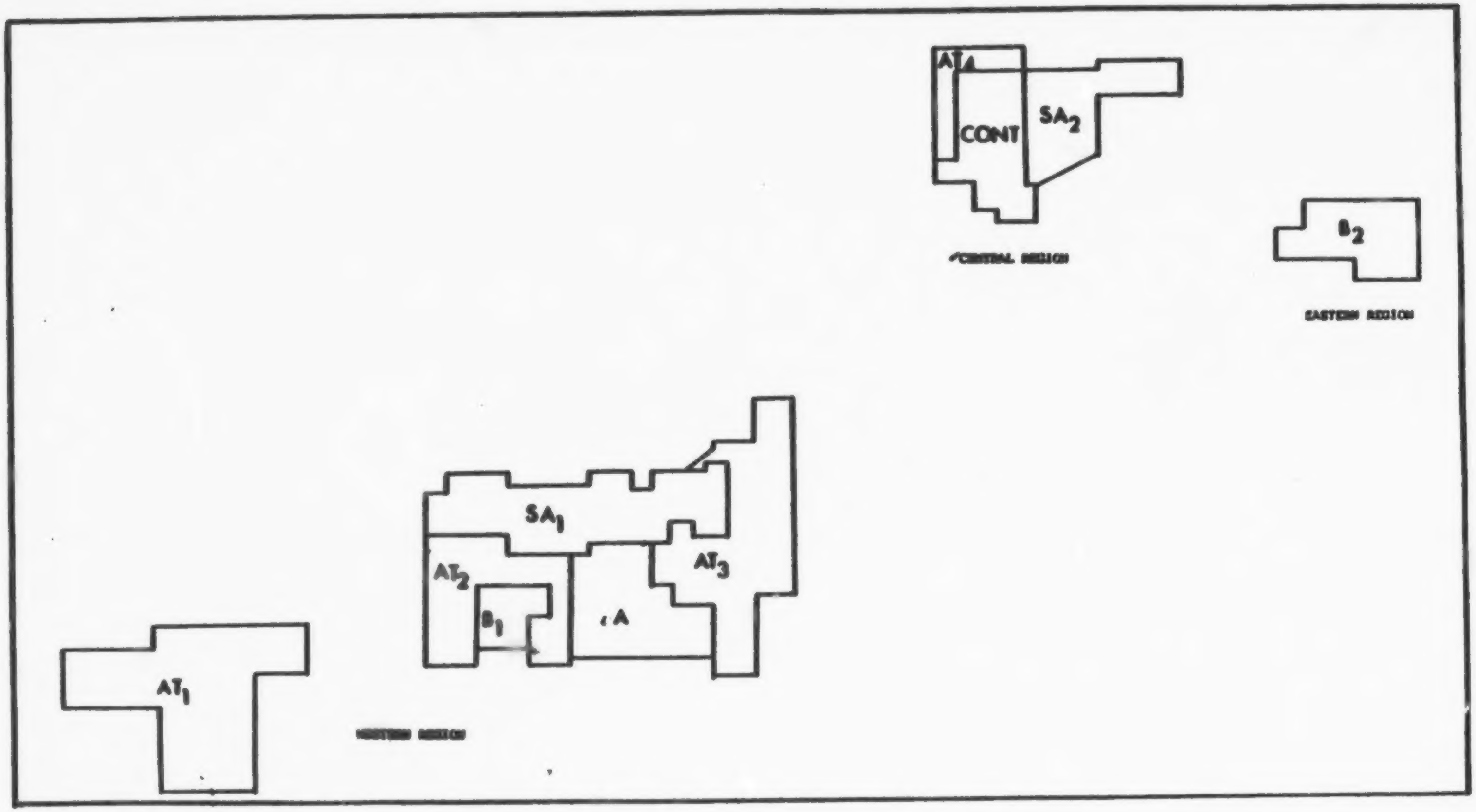
AT4
CONT
SA2
CENTRAL REGION
B2
EASTERN REGION
SA1
AT2
B1
A
AT3
AT1
WESTERN REGION

Figure 2. Disposition of sectors in the application of Japan.

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E. Overlaps and identification of contributed areas

10. In order to confirm there were no overlaps among the French, Japanese and Soviet application areas, all co-ordinates were plotted on a base map at a scale of 1:5,000,000. Common boundaries between application areas were examined graphically and by checking the individual co-ordinates. It was concluded that there were no overlaps among the areas applied for.

11. At the time applicants made their general introductory presentation to the Group, each applicant, in the presence of other applicants, identified the sector to be contributed by it to the Authority in the central region.

II. EXAMINATION OF INFORMATION AND TECHNICAL DATA SUBMITTED BY THE APPLICANT

A. Information and data submitted

12. The following technical documents were submitted in the application:

(a) A volume containing basic information related to the applicant, certification of the level of expenditure and assurances regarding the absence of overlapping areas;

(b) A volume containing technical information on the application areas including:

(i) Co-ordinates of application areas;

(ii) General map of application area;

(iii) Estimated ore reserve of each application area;

(iv) Data on testing in connection with prospecting;

(v) Catalogue of sampling data;

(vi) Sampling location, density and metal composition map;

(vii) Bathymetry and morphology map;

(c) A volume containing additional information on:

(i) The organization, financing and business experience of the applicant;

(ii) The technology and equipment used for prospecting.

13. The applicant's representatives also provided a supplementary table containing information on metal accumulation for nickel, copper, cobalt and manganese.

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14. The representatives of the applicant provided clarifications as required on information and technical data submitted.

15. It was noted that all technical data submitted in the application have been gathered using standard and recognized methods.

B. Methodology

1. General

16. The Group reviewed the methodology used to evaluate the application of India and concluded that similar methodology should be used to evaluate the application of Japan. The Group considered using a number of possible indicators that might be useful in assessing equal estimated commercial values of areas. It was recognized that any approach should be based on the fact that the data reflect the prospecting or exploration stage and that it should be based on a relative comparison of the areas and not on an assessment of absolute commercial potential or the economic feasibility of commercial operations in the areas.

17. As in the case of India, the most important factors to be considered were the metal content, nodule abundance, bathymetry and geomorphology. Because the central and western regions are separated by some distance, possible differences in weather conditions that could affect exploration and mining operations were also considered.

18. The Japanese application provides information on grade and abundance at 559 station locations in the application area of 225,000 sq km. Information presented for a given station is the average of several samples in the immediate vicinity. The average area per station is 403 sq km. The stations are regularly spaced on a sampling grid approximately 20 km apart. Distribution of stations is similar in all sectors.

2. Abundance of nodules

19. Data on average abundance and nodule tonnage supplied in the application was checked for arithmetic accuracy. Total tonnage and the average tonnage per sq km was used for comparing various sectors and areas. The geographical distribution of abundance in the different areas was reviewed on maps provided by the applicant and analysed in order to determine whether areas being evaluated contained sectors of higher abundance.

3. Metal content

20. With respect to metal content, the Group evaluated the relative amounts of nickel, cobalt and manganese contained in the nodules for the sectors being considered. The basic information used to make these comparisons was provided by the applicant as the tonnage of each metal contained in the nodules per sq km at each location. The evaluations were checked for arithmetic accuracy. It was

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decided not to develop separate information on copper except in specific cases, in view of the well-established relationship between copper and nickel that allows the characteristics of copper to be closely approximated by the analysis of nickel.

21. Metal accumulation, together with per cent metal, was plotted on charts in order to evaluate the relative distribution and trends in the various sectors. This procedure was carried out for each individual metal and used to determine whether areas and sectors being evaluated contained larger areas of higher-grade nodules and/or greater quantity of contained metals.

22. As appropriate, cumulative frequency distributions of the metal accumulations in the various sectors were developed in order to allow the Group to make more detailed comparisons.

4. Bathymetry and geomorphology

23. The examination of bathymetric features in all sectors of the application area was carried out by checking and comparing all maps and information provided by the applicant. The nature of the data available at the prospecting stage only allows the possibility of a regional comparison of the sectors. The evaluation focused on the types of bathymetric features found in various sectors and their slope angles, sizes, frequency and distribution.

III. DETERMINATION OF EQUAL ESTIMATED COMMERCIAL VALUE FOR THE AREA RECOMMENDED TO BE RESERVED FOR THE AUTHORITY AND THE AREA RECOMMENDED TO BE ALLOCATED TO THE APPLICANT

A. General description

1. General features

24. All the selected sectors of the applicant are situated in a structural zone striking WSW-ENE. The zone is located between the Clarion Fracture Zone to the north and the Clipperton Fracture Zone to the south. It is an exceptional zone from the standpoint of the metal content and the high abundance of polymetallic nodule deposits and their quality. This possibly results from favourable tectonic and geological conditions that largely control the process of formation of the nodules.

25. This zone contains deposits that are more attractive as compared with deposits in regions outside the zone.

26. The WSW-ENE striking structural zone is considered as a tectonic element of the first order. Second-order tectonic elements such as abyssal hills and valleys with relief up to 200 m and volcanic structures with relief that may exceed 600 m are superimposed.

2. Abundance of nodules

27. The abundance of nodules in the application area is relatively uniform without significant differences between the highs and the lows. The geographical distribution does not show significant differences between the different areas.

3. Metal content

28. Nickel. The application area is characterized by high nickel grade, interspersed with some lower-grade areas. Areas with high grade and abundance are scattered throughout most sectors. Sectors AT_2 and AT_4 have relatively poor metal values.

29. Manganese. The pattern of distribution of manganese accumulations followed the trend of nickel accumulations, and similar conclusions were drawn.

30. Cobalt. The spatial distribution of high cobalt accumulation throughout the application area was often accompanied by a high nodule abundance, and total cobalt accumulation was found to be generally consistently distributed throughout the application area.

4. Bathymetry and geomorphology

31. The bathymetric and geomorphological analyses of the areas have revealed that, despite some differences in the relief and frequency of secondary features, the bathymetry and geomorphology are comparable in the total application area. The sea-bottom in the application area is slightly hilly and characterized by irregularly distributed volcanic structures.

32. In general slopes do not exceed 8° except for volcanic structures, where slopes may reach 10° or more. The general direction of the second-order structures is mainly NNW-SSE, N-S in the central and eastern regions and E-W in the western region.

33. The Group concluded that when all factors are considered the sea-bottom topography in the areas is essentially similar.

B. Selection of additional areas for allocation

1. Abundance of nodules

34. The tonnage calculations presented in the application were checked for arithmetic accuracy. The statistical and spatial distribution of the abundance and tonnage of nodules in Sectors B_1 and B_2 and Sector A revealed no significant difference.

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2. Metal content

35. Nickel. Sector A shows relatively high nickel grade throughout but has high accumulation in some portions of the Sector. Both Sectors B_1 and B_2 have portions of high grade and abundance. There are no significant differences from the viewpoint of nickel.

36. Cobalt. Cobalt accumulation in Sector A and in the combination of Sectors B_1 and B_2 are similar, although Sector A may have a larger percentage of higher-grade nodules.

37. Manganese. Although from the viewpoint of manganese Sector B_2 is more interesting than either Sectors A or B_1, the aggregate area of Sectors B_1 and B_2 is similar to Sector A.

3. Bathymetry and geomorphology

38. No significant differences were noted between Sector A and Sectors B_1 and B_2 in terms of the type, frequency and distribution of topographic features. The regional water depth in Sector B_2 is, however, approximately 400 m to 600 m shallower than in Sectors A and B_1. Because this amounts to approximately 10 per cent of the water depth, the difference would have implications with respect to operating costs such as the energy requirements for lifting nodules, etc.

4. Conclusion

39. The Group decided to recommend for the consideration of the General Committee that Sectors B_1 and B_2 should be selected for incorporation into the area to be reserved for the Authority and that Sector A should be selected for incorporation into the area to be allocated to the applicant.

C. Evaluation of equal estimated commercial values of the total area to be reserved for the Authority and the total area to be allocated to the applicant

1. Criterion of size

40. With the recommendation of the additional area proposed for selection by the Group, the area that will be selected in accordance with LOS/PCN/L.41, annex, paragraph 13 (2) in addition to the 52,300 sq km area identified by the applicant to be allocated to it will be as follows:

Sector A in western region	22 700 sq km

41. The total of the two areas taken together amounts to 75,000 sq km. With this, the criterion of size has been met.

42. With the recommendation of the additional area proposed for selection by the Group, the area to be reserved for the Authority would comprise:

(a) Sector (CONT) in the central region to be contributed by the applicant in accordance with paragraph 13 (1) (c) and (d) 1/	17 300 sq km
(b) The additional areas selected in accordance with paragraph 13 (2):	
Sector B_1 in the western region	6 800 sq km
Sector B_2 in the eastern region	15 900
With a subtotal of	22 700 sq km
The remaining areas:	
Sector AT_1 in western region	43 500 sq km
Sector AT_2 in western region	23 100
Sector AT_3 in western region	36 800
Sector AT_4 in central region	6 600
With a subtotal of	110 000 sq km
The total area to be reserved will be	150 000 sq km

43. The area to be allocated to the applicant would comprise:

(a) The areas identified by the applicant for incorporation into the area to be allocated to it:	
Sector SA_1 in western region	34 300 sq km
Sector SA_2 in central region	18 000
With a subtotal of	52 300 sq km
(b) The sector selected in accordance with paragraph 13 (2):	
Sector A in western region	22 700 sq km
The total area to be allocated will be	75 000 sq km

/...

2. Evaluation of results

44. The results of all analyses carried out for the areas proposed to be reserved for the Authority and the areas proposed to be allocated to the applicant reveal the following:

(a) The area to be reserved for the Authority is much larger than the area to be allocated to the applicant. This offers more opportunities to the Authority of finding potential mine sites in the reserved area, taking also into account that it lies in the Clarion-Clipperton Zone known to have favourable geological and ore-controlling environments;

(b) The estimated total tonnages of the nodules and the metals are much higher in the area proposed to be reserved for the Authority due to its size than those proposed to be allocated to the applicant;

(c) The area containing higher abundance and metal grades relevant for future mining estimated statistically in the area to be reserved for the Authority as well as in the area to be allocated to the applicant is comparable;

(d) The geographical distribution of the areas containing high values appear more dispersed in the case of the area proposed to be reserved for the Authority than in the area proposed to be allocated to the applicant;

(e) The bathymetric and geomorphological features in the two areas are essentially similar.

3. Conclusion

45. Based on the results of investigations and analysis of the data available at the present level of prospecting and exploration for polymetallic nodules, the Group was of the view that both the areas offer similar potentials in terms of finding competitive mine sites in the respective areas. Accordingly, the estimated commercial value of the area proposed to be reserved for the Authority may thus be considered equal to the estimated commercial value of the area proposed to be allocated to the applicant.

IV. DETERMINATION OF EQUAL ESTIMATED COMMERCIAL VALUE OF AREAS REFERRED TO IN LOS/PCN/L.41/Rev.1, ANNEX, PARAGRAPH 13 (1) (c) AND (d)

1. Adequacy of data

46. The Group considered that the data provided in the applications of France, Japan and the Soviet Union were sufficient to compare the estimated commercial value of the areas formed by the contributions made by each of the three applicants with the average of the estimated commercial values of the areas identified by each applicant for incorporation into their respective allocated areas.

/...

2. Criteria of size and location of the areas

47. The areas contributed by each applicant to the area to be reserved for the Authority under LOS/PCN/L.41/Rev.1, annex, paragraph 13 (1) (c) and (d) meet the criteria for size and are located in the north-east Pacific Ocean referred to in this report as the "central region". The areas identified by each applicant for incorporation into the respective allocated areas amount to and do not exceed the limit of 52,300 sq km for each applicant.

48. The areas contributed by the applicants and areas identified by them are as follows:

	Areas identified for incorporation into the allocated areas (sq km)		Contributed areas (sq km)	
Applicant	Actual	Criteria	Actual	Criteria
France	52 290	52 300	20 180	20 000
Japan	52 300	52 300	17 300	17 300
Soviet Union	52 300	52 300	15 000	15 000

3. Results of evaluation

49. The results of various analyses made by the Group indicated that the combination of contributed areas were similar to the average of the three identified areas in respect of bathymetry. In respect of the average in situ tonnage of wet nodules, the average of the three identified areas was higher than the combination of contributed areas by 1 per cent. In respect of average manganese, nickel and copper metal tonnages in situ, the difference between the combined contributed areas and the average of the three identified areas was in the range of 6-8 per cent in favour of the identified areas, while for cobalt the difference was about 3 per cent in favour of the combination of contributed areas. These differences may be viewed in the context of the estimation error of about 30 per cent which is normal at this level of prospecting and exploration. It was further noted that the range of calculated tonnages for nodules as well as the metals were comparable particularly with respect to their upper limits.

50. The Group also noted that with the data available at this level of prospecting and exploration and with the attendant uncertainty in the estimates, the differences in in situ resources of the above magnitude were within the range of estimation errors in such situations. With the present level of knowledge, therefore, it emerges that the areas contributed by the applicants to be reserved for the Authority provide it with a fair and reasonable opportunity to find and develop a mine site that could be competitive with the mine sites that may be found in the areas identified by each applicant.

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4. Conclusion

51. In view of the above considerations, the Group concluded that the estimated commercial value of the combination of the contributed areas may be considered to be equal to the average of the estimated commercial value of the areas identified by each of the three applicants.

V. RECOMMENDATIONS

52. The following conclusions were reached unanimously by the Group.

(a) Having examined the particulars submitted by the applicant which are summarized in part I of the present report, the Group has concluded that the application has been submitted in accordance with resolution II and the understandings contained in documents LOS/PCN/L.41/Rev.1 and LOS/PCN/L.43/Rev.1;

(b) As regards the designation of the reserved area and the allocation of the pioneer area, the Group, in the light of the conclusions reached in the present report, agreed to recommend for the consideration of the General Committee:

(i) That the area consisting of Sector CONT (17,300 sq km in the central region), Sector B_2 (15,900 sq km in the eastern region), Sector B_1 (6,800 sq km in the western region), Sector AT_1 (43,500 sq km in the western region), Sector AT_2 (23,100 sq km in the western region), Sector AT_3 (36,800 sq km in the western region) and Sector AT_4 (6,600 sq km in the central region) with a total of 150,000 sq km should be designated as the reserved area;

(ii) That the area consisting of Sector SA_1 (34,300 sq km in the western region), Sector SA_2 (18,000 sq km in the central region) and Sector A (22,700 sq km in the western region) with a total of 75,000 sq km should be designated as the pioneer area to be allocated to the applicant.

Notes

1/ The paragraphs referred to are in document LOS/PCN/L.41/Rev.1, annex.

Annex I

LIST OF MEMBERS OF THE GROUP OF TECHNICAL EXPERTS

1. Mr. Samuel Sona Betah
Sub-Director of Geology
Ministry of Mines and Power
Yaoundé, Cameroon

2. Dr. Zhang Bingxi
Chairman, Advisory Committee for Science and Technology
Ministry of Geology and Mineral Resources
Beijing 100812, People's Republic of China

3. Dr. Alfredo José da Silva Netto
Assistant to the Directorate for Exploration and Production
PETROBRAS
Avenida República do Chile, 65, 23 Andar
Rio de Janeiro, RJ 20035
Brazil

4. Dr. Igor Sergeevich Gramberg
Director, Institute of Geology and Mineral Resources
of the World's Oceans
Ministry of Geology of the USSR
Moscow, USSR

5. Dr. Knut S. Heier
Director
Geological Survey of Norway
Leiv Eirikssons v. 39
PO Box 3006 Lade
N-7002 Trondheim
Norway

6. Mr. Takeshi Izumi
Director General
Overseas Activities Department
Metal Mining Agency of Japan
Tokiwa Building,
1-24-14, Toranomon, Minato-ku
Tokyo, Japan

7. Mr. Hicuunga H. E. Kambaila
Chief Inspector of Mines
Mines Safety Department
P.O. Box 21006
Kitwe, Republic of Zambia

/...

8. Mr. Naphtali Ndiritu Kamundia
Geologist, Government of Kenya
PO Box 30009
Nairobi, Kenya

9. M. Jean-Pierre Lenoble
Institut français de recherche pour l'exploitation de la mer (IFREMER)
Chargé de Mission "Nodules polymétalliques" auprès
du Président Directeur Général
66 Avenue d'Iéna
75116 Paris, France

10. Dr. Alfonso López-Reina
Director de Investigaciones Científicas
de la Universidad Militar de Colombia
Carrera 11, calle 100
Bogotá, Colombia

11. Mr. Sulaiman Zuhdi Pane
General Manager, Joint Operating Body (JOB)
Pertamina-Japex North Sumatra Ltd.
Skyline Building, 19th Floor
Jln. M.H. Thamrin No. 9
Jakarta-10340, Indonesia

12. Ing. Luis G. Preval Paez
Principal Specialist of the Production, Investments
and Metallurgical Mining Development Division
of the Ministry of Basic Industry
Havana, Cuba

13. Mr. David W. Pasho
Director, Ocean Mining Division
Mineral Policy Sector
Department of Energy, Mines and Resources
Ottawa, Canada

14. Dr. Bodo Schirmer
Special Representative of the Minister of Geology
Central Geological Institute
Invalidenstrasse 44
1040 Berlin
German Democratic Republic

15. Dr. T. R. P. Singh
Senior Manager
Engineers India Ltd.
R. K. Puram
New Delhi 110066
India

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C. DECISION ADOPTED ON 17 DECEMBER 1987 BY THE GENERAL COMMITTEE OF THE PREPARATORY COMMISSION FOR THE INTERNATIONAL SEA-BED AUTHORITY AND FOR THE INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA ON THE APPLICATION OF THE GOVERNMENT OF JAPAN AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

1. Pursuant to resolution II of the Third United Nations Conference on the Law of the Sea and the statement on the implementation of resolution II of the Preparatory Commission of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex) and the statement of understanding on the implementation of resolution II of 10 April 1987 (LOS/PCN/L.43/Rev.1), the General Committee, in accordance with rule 14, paragraph 3, of the rules of procedure of the Preparatory Commission, considered the application submitted by the Government of Japan on behalf of the Japanese enterprise "Deep Ocean Resources Development Co., Ltd. (DORD)" for registration as a pioneer investor under resolution II. The General Committee had before it a report of the Group of Technical Experts (LOS/PCN/BUR/R.3) established by the Preparatory Commission to examine the application. In addition, the applicant had released for the consideration of the General Committee information concerning its revised application (LOS/PCN/BUR/INF/R.3 and LOS/PCN/BUR/INF/R.7).

2. The General Committee noted that, in accordance with paragraph 4 of the statement of understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex), the Group of Technical Experts had concluded that the application of Japan had been submitted in conformity with resolution II and, inter alia, the General Committee noted that the Group of Technical Experts concluded that:

(a) The estimated commercial value of the area proposed to be reserved for the Authority may be considered equal to the estimated commercial value of the area proposed to be allocated to the applicant;

(b) The estimated commercial value of the contributed areas in the north-east Pacific Ocean referred to in the report of the Group of Technical Experts as the "central region" may be considered to be equal to the average of the estimated commercial value of the areas identified by the three applicants, namely France, Japan and the Union of Soviet Socialist Republics, for incorporation into their respective areas.

3. The General Committee also notes that Japan, having signed the United Nations Convention on the Law of the Sea on 7 February 1983, as a certifying State, stated that:

(a) The application area is located beyond the limits of national jurisdiction of any State;

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* Originally issued under the symbol LOS/PCN/98.

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(b) The application area is free from overlapping claims;

(c) The applicant agrees to pay the fee of $US 250,000 to the Preparatory Commission as soon as certain administrative arrangements have been made for the transfer of such fees;

(d) The applicant undertakes to comply with the provisions of resolution II of the Third United Nations Conference on the Law of the Sea, including paragraph 12. It will also conduct its pioneer activities in accordance with the relevant provisions of resolution II and the principles relating to the preservation of the marine environment as set out in the United Nations Convention on the Law of the Sea;

(e) The pioneer activities shall be conducted in a manner compatible with the United Nations Convention on the Law of the Sea.

4. The General Committee, having considered the application submitted by Japan, and taking into account the report submitted by the Group of Technical Experts, has noted with appreciation the conclusions reached by the Group of Technical Experts:

(a) That the application submitted by Japan is in conformity with resolution II and the statements contained in documents LOS/PCN/L.41/Rev.1, annex, and LOS/PCN/L.43/Rev.1;

(b) That the area consisting of Sector CONT (17,300 sq km in the central region), Sector B_2 (15,900 sq km in the eastern region), Sector B_1 (6,800 sq km in the western region), Sector AT_1 (43,500 sq km in the western region), Sector AT_2 (23,100 sq km in the western region), Sector AT_3 (36,800 sq km in the western region) and Sector AT_4 (6,600 sq km in the central region), with a total of 150,000 sq km (hereinafter referred to as Area A(J)), be designated as the reserved area;

(c) That the area consisting of Sector SA_1 (34,300 sq km in the western region), Sector SA_2 (18,000 sq km in the central region) and Sector A (22,700 sq km in the western region), with a total of 75,000 sq km (hereinafter referred to as Area B(J)), be designated as the pioneer area to be allocated to the applicant.

5. The Committee further notes that the list of co-ordinates of Areas A(J) and B(J) has been deposited with the Secretary-General.

6. Accordingly, the General Committee, taking into account the readiness of the applicant and the certifying State to comply with their obligations under resolution II and the statements contained in documents LOS/PCN/L.41/Rev.1, annex, and LOS/PCN/L.43/Rev.1,

DECIDES:

(a) To designate Area A(J) as part of the application area which is to be reserved for the conduct of activities by the Authority in the Area through the Enterprise or in association with developing States;

(b) To allocate Area B(J) as a pioneer area to the applicant, "Deep Ocean Resources Development Co., Ltd." (DORD);

(c) To annex the co-ordinates of Areas A(J) and B(J) hereto;

(d) That a certificate of registration shall be issued to the applicant.

7. The certificate of registration of the application submitted by the Government of Japan on behalf of "Deep Ocean Resources Development Co., Ltd." (DORD) shall record:

(a) The identity of the applicant and of the certifying State;

(b) The date of signature of the Convention by the certifying State;

(c) The date of receipt of the application and any revisions thereto;

(d) The date of the decision for registration as a pioneer investor;

(e) The date of registration as a pioneer investor;

(f) The precise geographical co-ordinates of the area allocated to the applicant as a pioneer area;

(g) The exclusive right of the pioneer investor to carry out pioneer activities in the pioneer area allocated to it under resolution II of the Third United Nations Conference on the Law of the Sea;

(h) The requirement of compliance by the pioneer investor with its obligations under resolution II and the statements contained in documents LOS/PCN/L.41/Rev.1, annex, and LOS/PCN/L.43/Rev.1;

(i) The requirement of compliance by the certifying State with its commitments under resolution II.

8. The General Committee

REQUESTS the Secretary-General of the United Nations:

(a) To inform all the participants of the Preparatory Commission of this decision;

(b) To give due publicity to the co-ordinates of Areas A(J) and B(J);

(c) To maintain a register for the purpose of registering the pioneer investor and to record the reserved area;

(d) To advise the applicant of the administrative arrangements necessary for the payment of the fee and to prepare and issue to the applicant a certificate of registration.

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Annex

CO-ORDINATES OF THE TURNING POINTS OF AREAS A(J) AND B(J) REFERRED TO IN PARAGRAPH 6 (a) AND (b) OF THIS DECISION

(These co-ordinates previously constituted annex II to the report of the Group of Technical Experts (LOS/PCN/BUR/R.3).)

1. Area A(J), designated as the area reserved for the conduct of activities by the Authority in the Area through the Enterprise or in association with developing States, is bounded by lines joining the following turning points, the co-ordinates of which are listed below:

Turning points	Latitude (N)	Longitude (W)
1	09° 10'	152° 55.2'
2	09° 10'	151° 00'
3	08° 35'	151° 00'
4	08° 35'	151° 40'
5	07° 10'	151° 40'
6	07° 10'	152° 50'
7	08° 10'	152° 50'
8	08° 10'	154° 00'
9	08° 52.5'	154° 00'
10	08° 52.5'	152° 55.2'
1	09° 10'	152° 55.2'
1	10° 15'	149° 30'
2	10° 15'	148° 30'
3	10° 00'	148° 30'
4	10° 00'	147° 44.8'
5	08° 40'	147° 44.8'
6	08° 40'	148° 15'
7	08° 52.5'	148° 15'
8	08° 52.5'	148° 52.5'
9	08° 40'	148° 52.5'
10	08° 40'	149° 30'
1	10° 15'	149° 30'
1	11° 00'	146° 19'
2	11° 15'	146° 00'
3	11° 20'	146° 00'
4	11° 20'	145° 30'
5	11° 50'	145° 30'
6	11° 50'	145° 00'
7	09° 30'	145° 00'
8	09° 30'	145° 30'

/...

Turning points	Latitude (N)	Longitude (W)
9	08° 30'	145° 30'
10	08° 30'	146° 00'
11	09° 22.5'	146° 00'
12	09° 22.5'	146° 30'
13	09° 37.5'	146° 30'
14	09° 37.5'	146° 45'
15	10° 07.5'	146° 45'
16	10° 07.5'	146° 32'
17	10° 22.5'	146° 32'
18	10° 22.5'	146° 15'
19	10° 11.25'	146° 15'
20	10° 11.25'	145° 48.75'
21	11° 03.75'	145° 48.75'
22	11° 03.75'	146° 07.5'
23	11° 00'	146° 07.5'
1	11° 00'	146° 19'
1	15° 55'	134° 00'
2	15° 55'	132° 55'
3	14° 17.4'	132° 55'
4	14° 17.4'	132° 48'
5	13° 52'	132° 48'
6	13° 52'	133° 15'
7	14° 00'	133° 15'
8	14° 00'	133° 32'
9	14° 21'	133° 32'
10	14° 21'	134° 00'
1	15° 55'	134° 00'
1	14° 05'	125° 00'
2	14° 05'	123° 35'
3	13° 07.5'	123° 35'
4	13° 07.5'	124° 22.5'
5	13° 22.5'	124° 22.5'
6	13° 22.5'	125° 20'
7	13° 45'	125° 20'
8	13° 45'	125° 00'
1	14° 05'	125° 00'

/...

2. Area B(J), allocated as a pioneer area to the applicant, "Deep Ocean Resources Development Co., Ltd." (DORD), is bounded by lines joining the following turning points, the co-ordinates of which are listed below:

Turning points	Latitude (N)	Longitude (W)
1	11° 00'	149° 15'
2	11° 00'	148° 30'
3	10° 48.75'	148° 30'
4	10° 48.75'	147° 30'
5	11° 00'	147° 30'
6	11° 00'	147° 00'
7	10° 45'	147° 00'
8	10° 45'	146° 45'
9	11° 00'	146° 45'
10	11° 00'	146° 07.5'
11	11° 03.75'	146° 07.5'
12	11° 03.75'	145° 48.75'
13	10° 11.25'	145° 48.75'
14	10° 11.25'	146° 15'
15	10° 22.5'	146° 15'
16	10° 22.5'	146° 32'
17	10° 07.5'	146° 32'
18	10° 07.5'	146° 45'
19	09° 37.5'	146° 45'
20	09° 37.5'	146° 30'
21	09° 22.5'	146° 30'
22	09° 22.5'	146° 00'
23	08° 45'	146° 00'
24	08° 45'	147° 44.8'
25	10° 00'	147° 44.8'
26	10° 00'	148° 30'
27	10° 15'	148° 30'
28	10° 15'	149° 30'
29	10° 45'	149° 30'
30	10° 45'	149° 15'
1	11° 00'	149° 15'
1	15° 39'	132° 55'
2	15° 39'	132° 00'
3	15° 45'	132° 00'
4	15° 45'	131° 00'
5	15° 20'	131° 00'
6	15° 20'	132° 00'
7	14° 40'	132° 00'
8	14° 17.4'	132° 48'
9	14° 17.4'	132° 55'
1	15° 39'	132° 55'

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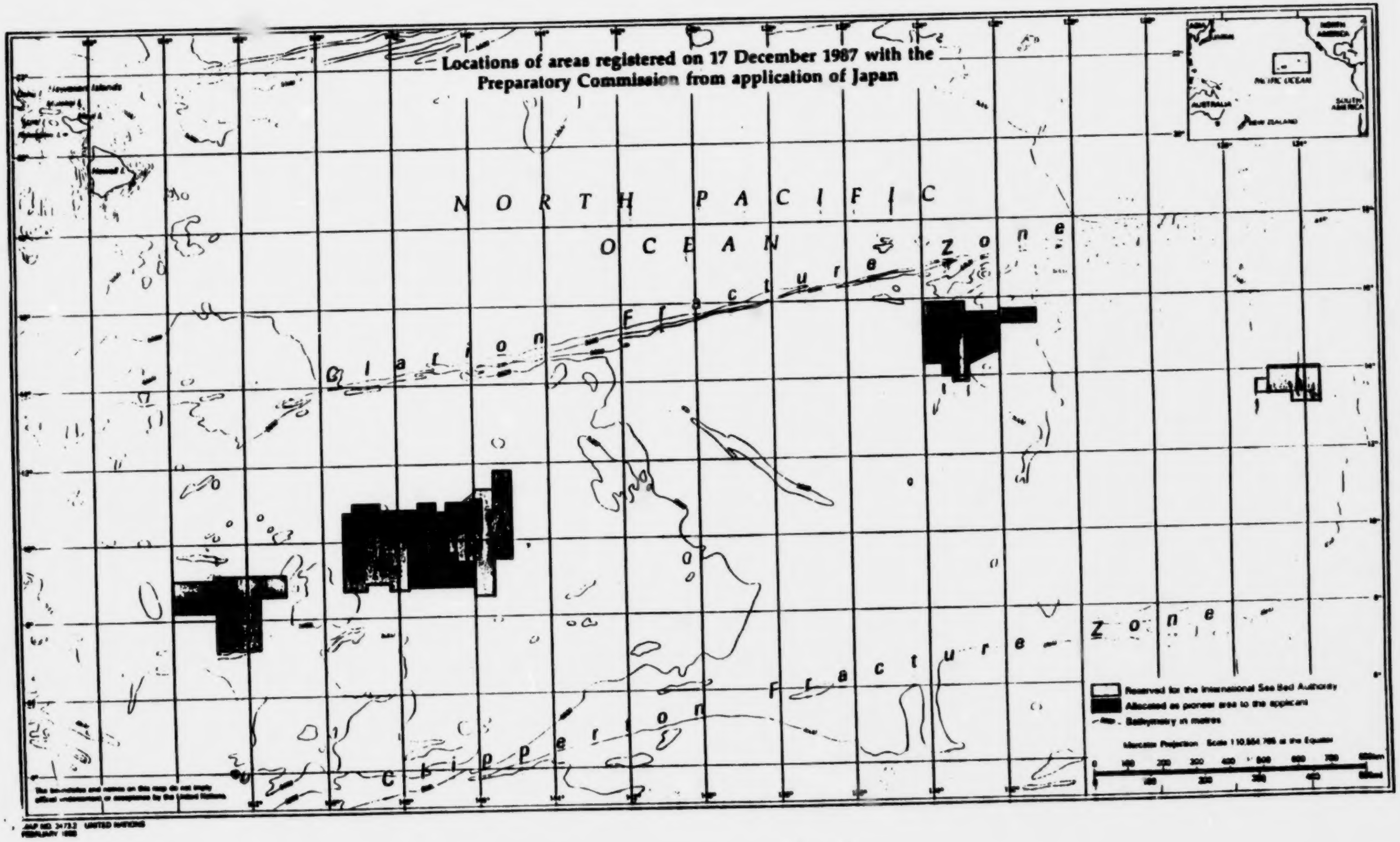
D. MAP OF LOCATIONS OF AREAS REGISTERED ON 17 DECEMBER 1987 WITH THE PREPARATORY COMMISSION FROM APPLICATION OF JAPAN


Locations of areas registered on 17 December 1987 with the Preparatory Commission from application of Japan
NORTH PACIFIC
OCEAN
Clarion Fracture Zone
Clipperton Fracture Zone
Hawaiian Islands
PACIFIC OCEAN
AUSTRALIA
NEW ZEALAND
NORTH AMERICA
SOUTH AMERICA
Reserved for the International Sea Bed Authority
Allocated as pioneer area to the applicant
Bathymetry in metres
Mercator Projection
0
100
200
300
400
500
600
700
800km
MAP NO. 3473.2 UNITED NATIONS

IV. REGISTRATION OF THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS

A. LETTER DATED 20 JULY 1983 FROM THE ACTING PERMANENT REPRESENTATIVE OF THE UNION OF SOVIET SOCIALIST REPUBLICS TO THE UNITED NATIONS ADDRESSED TO THE CHAIRMAN OF THE PREPARATORY COMMISSION*

As we already had the honour to inform you on 10 June 1983, during the period which has elapsed since we sent a letter to the Preparatory Commission concerning the implementation of resolution II of the United Nations Conference on the Law of the Sea (LOS/PCN/4 of 8 April 1983), the Soviet Union has done everything possible to exchange co-ordinates of areas with other prospective pioneer investors, and to initiate negotiations with them to resolve possible conflicts concerning the boundaries of areas by 1 May 1983. On 30 April 1983, the Soviet Union reached an understanding with India on the absence of any conflicts between them concerning the boundaries of their areas, and the two countries informed you of that understanding. So far no notifications have been received from other prospective certifying States of their readiness to exchange co-ordinates of areas with the USSR in order to resolve possible conflicts.

In this connection, the Union of Soviet Socialist Republics, in accordance with resolution II of the United Nations Conference on the Law of the Sea, and as a certifying State, hereby submits to the Preparatory Commission on behalf of the Soviet enterprise "Southern Production Association for Marine Geological Operations" (Yuzhmorgeologiya"), which is located in the town of Gelendzhik in the Krasnodarskiy district, and the General Director of which is Mr. I. F. Glumov, an application for registration of the enterprise as a pioneer investor.

It is certified that this Soviet enterprise expended, before 1 January 1983, 40.9 million roubles on pioneer activities, as defined in resolution II, including 16 million roubles in the location, survey and evaluation of the area in respect of which this application is submitted. It is also certified that the list of co-ordinates of the area was submitted before 10 December 1982 by the Soviet enterprise concerned to the USSR Ministry of Geology as the State body with responsibility for issuing licences.

In accordance with paragraph 3 (a) of resolution II, the application covers an area of the sea-bed 300,000 sq km having sufficient estimated commercial value to allow two mining operations. The area has been divided into two parts of equal estimated commercial value.

The data and information referred to in paragraph 3 (a) of resolution II are being transmitted to the Preparatory Commission in a sealed packet in order to preserve their confidentiality as annex 1 to this application (5 maps).

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* Originally issued under the symbol LOS/PCN/30.

The co-ordinates of the area, because of their strict confidentiality, are being kept by the Permanent Representative of the USSR to the United Nations in a sealed packet which will be transmitted immediately to the Preparatory Commission at your request as annex 2 to the application.

(Signed) R. OVINNIKOV
Acting Permanent Representative of the USSR
to the United Nations

B. REPORT OF THE GROUP OF TECHNICAL EXPERTS TO THE GENERAL COMMITTEE OF THE PREPARATORY COMMISSION FOR THE INTERNATIONAL SEA-BED AUTHORITY AND FOR THE INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA ON THE APPLICATION OF THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS FOR REGISTRATION AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

LETTER OF TRANSMITTAL

4 December 1987

Mr. José Luis Jesus
Chairman of the Preparatory Commission for
the International Sea-Bed Authority and
for the International Tribunal for the
Law of the Sea
New York, New York

Dear Mr. Chairman,

We, the members of the Group of Technical Experts, appointed by the Chairman of the Preparatory Commission to examine the application of the Government of the Union of Soviet Socialist Republics, on behalf of "Yuzhmorgeologiya", for registration as a pioneer investor in accordance with resolution II of the Third United Nations Conference on the Law of the Sea, have the honour to submit the attached report to the General Committee. The Group of Experts has undertaken an examination of the application in accordance with its mandate, and the attached report which was unanimously adopted contains the result of this examination.

The meeting was held at United Nations Headquarters in New York. The Group met between 23 November and 4 December 1987, during which period the Group held 22 sessions.

The Group wishes to express its appreciation for the co-operation of the representatives of the applicant, "Yuzhmorgeologiya", and the Government of the Union of Soviet Socialist Republics.

The Group of Experts would like to thank you and the Preparatory Commission for the opportunity to assist on the matter of registration of the Union of Soviet Socialist Republics. The Group also wishes to draw to your attention the valuable

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* Originally issued under the symbol LOS/PCN/BUR/R.4.

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contribution made by the Special Representative of the Secretary-General for the Law of the Sea, Mr. Satya N. Nandan, and the Law of the Sea secretariat in providing assistance throughout our meetings.

Yours sincerely,

Signed in New York on 4 December 1987:

Samuel SONA BETAH
(Cameroon)

ZHANG Bingxi
(People's Republic of China)

Alfredo José DA SILVA NETTO
(Brazil)

Igor Sergeevich GRAMBERG
(Union of Soviet Socialist Republics)

Knut S. HEIER
(Norway)

Takeshi IZUMI
(Japan)

Hicuunga H. E. KAMBAILA
(Zambia)

Naphtali Ndiritu KAMUNDIA
(Kenya)

Jean-Pierre LENOBLE
(France)

Alfonso LOPEZ-REINA
(Colombia)

Sulaiman Zuhdi PANE
(Indonesia)

Luis G. PREVAL PAEZ
(Cuba)

David W. PASHO
(Canada)

Bodo SCHIRMER
(German Democratic Republic)

T. R. P. SINGH
(India)

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INTRODUCTION

1. The Group of Technical Experts was established in accordance with the decision taken by the Preparatory Commission of the International Sea-Bed Authority and for the International Tribunal for the Law of the Sea which is embodied in paragraph 6 of the Statement of understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex). The Group was mandated to determine whether the applications for registration as pioneer investors are in conformity with resolution II of the Third United Nations Conference on the Law of the Sea, in particular with the principle of equal estimated commercial value, subject to the guidelines and procedures set forth in the Statement of understanding of 5 September 1986 and the Statement of understanding of 10 April 1987 (LOS/PCN/L.43/Rev.1) and to submit a report on each application to the General Committee. The Group noted that in case of there being different opinions among its members, such opinions shall be included in the report (LOS/PCN/L.41/Rev.1, annex, para. 4).

2. In accordance with the relevant decision of the Preparatory Commission, the application of the Union of Soviet Socialist Republics, on behalf of "Yuzhmorgeologiya", was examined to ensure whether it was in conformity with resolution II, taking into account:

(a) That "in order to meet certain practical problems and, in particular, to take into account the interests of potential applicants under resolution II, paragraph 1 (a) (ii), an applicant who has practical problems may voluntarily relinquish in advance portions of the application areas simultaneously with its registration as a pioneer investor. The areas relinquished in these circumstances may exceed 75,000 sq km and shall be without prejudice to paragraph 13 below. The applicants so relinquishing shall be deemed to have complied with the provisions of resolution II, paragraph 1 (e)" (see LOS/PCN/L.41/Rev.1, annex, para. 9); and

(b) "The relinquished areas, referred to in paragraph 9, shall remain deposited with the Preparatory Commission and will be reserved to form part of the application areas of potential Applicants qualified to apply as pioneer investors under resolution II, paragraph 1 (a) (11), until the Convention enters into force" (LOS/PCN/L.41/Rev.1, annex, para. 12);

(c) "The areas to be designated in respect of each application as an area to be reserved for the conduct of activities by the Authority through the Enterprise or in association with developing countries shall be not less than one half of the total area applied for by each Applicant. In the case where an applicant has relinquished over 75,000 sq km under paragraph 9 above, the area to be reserved for the Authority may be reduced, but in any case it shall not be less than 75,000 sq km" (LOS/PCN/L.41/Rev.1, annex, para. 13 (1) (a));

(d) That "applicants with overlapping claims, namely France, Japan and the USSR, shall contribute portions of areas in the north-east Pacific Ocean covered by their respective revised applications that will constitute part of the area to be reserved for the Authority. The areas so contributed may be incorporated in any area for which the Enterprise may wish to submit a plan of work, and together they shall be of equal estimated commercial value to at least the average estimated commercial value of the three areas of up to 52,300 sq km to be allocated to the pioneer investors pursuant to paragraph 13 (2)";

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(e) "The contribution to be made by the three applicants for this purpose shall be as follows:

(i) France - an area totalling 20,000 sq km adjacent to its presently overlapping area with the Soviet Union;

(ii) Japan - an area totalling 17,300 sq km adjacent to its presently overlapping area with the Soviet Union;

(iii) Soviet Union - an area totalling 15,000 sq km 14,549 sq km of which will be from within its presently overlapping areas with France and with Japan and 451 sq km which it obtains from France following adjustment of claims between the two applicants;"

(f) "The total area to be allocated to each applicant shall not exceed 75,000 sq km after any relinquishment of areas referred to in paragraphs 9, 10 and 11 has been made. For the purpose of allocation, each applicant may indicate in its application portions of its application area up to a limit of 52,300 sq km that shall form part of the total area to be allocated to it by the Commission. In addition to the areas indicated by the applicants, the Commission shall allocate, in accordance with resolution II, paragraph 3, an area from their respective application areas necessary to complete the total area to be allocated to each applicant." (see LOS/PCN/L 41/Rev.1, annex, para. 13 (1) (c) and (d) and (2)).

3. The Group of Technical Experts commenced its work on the morning of 23 November 1987. The Special Representative briefed the Group on its mandate and outlined the specific procedures that were in effect to ensure the confidentiality of data and information contained in the applications for registration before the Group.

4. The Group met again in the afternoon of 23 November 1987, at which time the Chairman of the Preparatory Commission, Mr. José Luis Jesus, addressed the Group. The Group then began its consideration of the three applications before it, beginning with the application of France.

5. The Group structured its work as follows:

(a) Stage I would involve:

(i) A preliminary examination of all technical data that was submitted for the application area;

(ii) A more detailed evaluation of data in the sectors where the Group will make recommendations to the General Committee concerning which sectors should be reserved for the Authority;

(iii) A tentative recommendation as to which sectors should be reserved for the Authority;

(b) For Stage II the Group felt it should have the benefit of technical data in those sectors from other applications that are adjacent to sectors in the Soviet Union's application. After taking this information into account, the Group:

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(i) Would make a final recommendation concerning which sectors should be reserved for the Authority. The results are to be outlined in part III of the Group's report;

(ii) Would determine whether the total area recommended for reservation by the Authority is of equal estimated commercial value to the area allocated to the applicant (LOS/PCN/L.41/Rev.1, annex, paragraph 13 (1) (b)). The results are to be outlined in part III C of the Group's report;

(c) Stage III involved a comparison of the average estimated commercial value of the three areas identified by the respective applicants to be allocated to each applicant by the Commission (LOS/PCN/L.41/Rev.1, annex, para. 13 (2)), with the estimated commercial value of the total area composed of the contributions made by the applicants pursuant to LOS/PCN/L.41/Rev.1, annex, para. 13 (1) (d). On the basis of this evaluation the Group would advise the General Committee whether or not the estimated commercial value of the contributed areas reserved for the Authority is equal to at least the average estimated commercial value of the three areas identified by the applicants for incorporation into the respective areas to be allocated to them. The results are to be presented in part IV of the Group's report.

6. The Group completed its work in the afternoon of 5 December 1987. In view of the large volume of work involved in processing and analysing the three applications, the Group had to work for long hours each day, including a public holiday and the weekends. During the entire period of work, the Secretariat provided all necessary facilities and assistance.

I. BASIC INFORMATION REGARDING THE APPLICATION

A. Identification of the applicant

1. Name of State(s) or certifying State(s):

Union of Soviet Socialist Republics

2. Date of Signature of the Convention by the certifying State or States:

10 December 1982

3. Applicant:

a. Name "Yuzhmorgeologiya"

b. Mailing Address 79, Krasnogvardeyskaya Street
Gelendzhik
Krasnodarskiy Kray, USSR 353470

c. Telephone Number 2 43-31

Telex Address GEO SU 279124

d. Name of Designated Representative or Designated Authority "Yuzhmorgeologiya"

e. Mailing Addresses 79 Krasnogvardeyskaya Street
Gelendzhik, Krasnodarskiy Kray
USSR 353470

f. Telephone Number 2 43-31

Telex Address GEO SU 279124

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4. Status of the applicant under resolution II, paragraph (1) (a) (i):

State ☐

State enterprise ☒

Natural or juridical person ☐

5. Certificate of registration as a juridical person (if applicable):

Submitted: Yes ☐ No ☐

Not Applicable ☒

6. Date of receipt of application: 20 July 1983

7. Date of receipt of revised application: 15 November 1987

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B. Data submitted by the applicant

1. Certification of required levels of expenditures

   Submitted: Yes ☒ No ☐

2. Assurances of absence or resolution of conflicts concerning overlapping claims

   Submitted: Yes ☒ No ☐

3. Co-ordinates of the application area

   Submitted: Yes ☒ No ☐

4. Data with respect to both parts of the application area used to estimate commercial value of each part

   Submitted: Yes ☒ No ☐

5. Assurances that the application area is located beyond the limits of national jurisdiction of any State

   Submitted: Yes ☒ No ☐

6. Assurances of compliance with the provisions of resolution II and the Statement of understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1)

   Submitted: Yes ☒ No ☐

C. Payment of Fee:

The applicant states that the fee of $US 250,000 for the registration of the State enterprise "Yuzhmorgeologiya" as a pioneer investor will be paid after the applicant is notified by the Preparatory Commission about the registration.

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D. The application area and its division between the reserved Area and the allocated Area

7. The application area of the Soviet Union covers a total of 300,000 sq km in the Clarion-Clipperton Zone of the Pacific Ocean. This area is distributed over two regions of 123,759 sq km and 176,241 sq km respectively. The first region is located in the portion of the Clarion-Clipperton Zone which is referred to as the "central" region and the other in the "western" region (see table 1 and figures 1 and 2).

8. The applicant has identified a total area of 92,672 sq km of the application area to be voluntarily relinquished simultaneously with its registration as a pioneer investor. In accordance with LOS/PCN/L.41/Rev.1, annex, paragraphs 9 and 12, this area shall remain deposited with the Preparatory Commission and will be reserved to form part of the application areas of potential applicants qualified to apply as pioneer investors under resolution II, paragraph 1 (a) (ii), until the Convention enters into force. The area identified for relinquishment is composed of sectors V_A to V_G, which fall partly in the central and partly in the western region.

9. In accordance with paragraph 13 (2) of the annex to LOS/PCN/L.41/Rev.1, the applicant has identified an area of 52,300 sq km for incorporation in the total area of 75,000 sq km to be allocated to it, in accordance with paragraph 10 of that document. This area consists of Sector III in the central region. In order to make up the 75,000 sq km to be allocated to the applicant, the applicant further identified two areas of 22,700 sq km each in accordance with resolution II, paragraph 3. Each of these two areas consists of two segments. These segments are:

X_1 (8,940 sq km) in the central region
X_2 (13,760 sq km) in the western region

Y_1 (8,940 sq km) in the central region
Y_2 (13,760 sq km) in the western region

10. The total area to be reserved for the Authority will then consist of one of the two areas of 22,700 sq km, the area of 15,000 sq km (Sector II in the central region), contributed by the applicant in accordance with paragraph 13 (1) (c) and (d) of the annex to LOS/PCN/L.41/Rev.1, and the remainder of the application area consisting of 46,267 sq km (Sector VI_1) and 48,361 sq km (Sector VI_2), both in the western region. Thus the total area to be reserved for the Authority will be 132,328 sq km.

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Table 1. Disposition of sectors in the application of the USSR

(in square kilometres)

	Western region		Central region		Subtotal
Area identified by applicant for incorporation in the Area to be allocated to it			III	52 300	52 300
Selection from two areas of 22,700 sq km each in accordance with paragraph 13 (2)*					
X_2 and X_1	X_2	13 760	X_1	8 940	
Y_2 and Y_1	Y_2	13 760	Y_1	8 940	45 400
Remaining area for incorporation in the reserved Area	VI_1	46 267			
	VI_2	48 361			94 628
Area to be contributed by the applicant in accordance with paragraph 13 (1) (c) and (d)*			II	15 000	15 000
Subtotal		122 148		85 180	207 328
Area identified for relinquishment					92 672
Total area					300 000

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* LOS/PCN/L.41/Rev.1, annex.

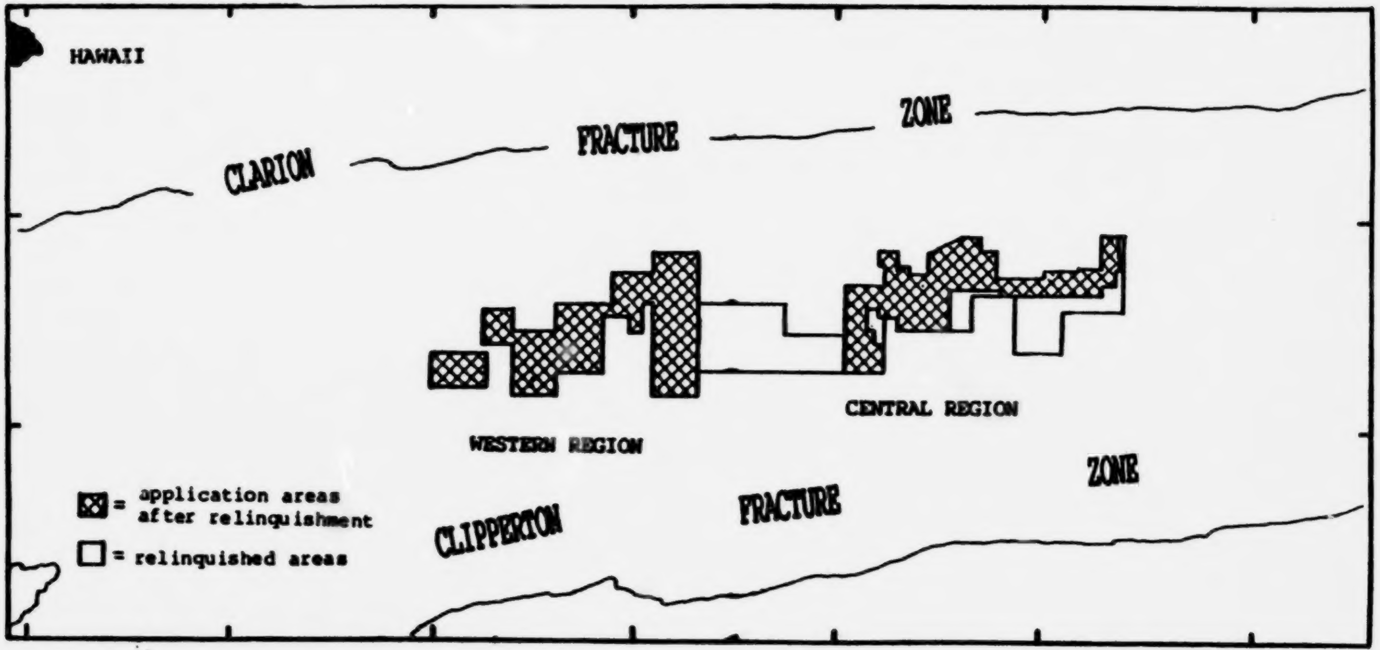
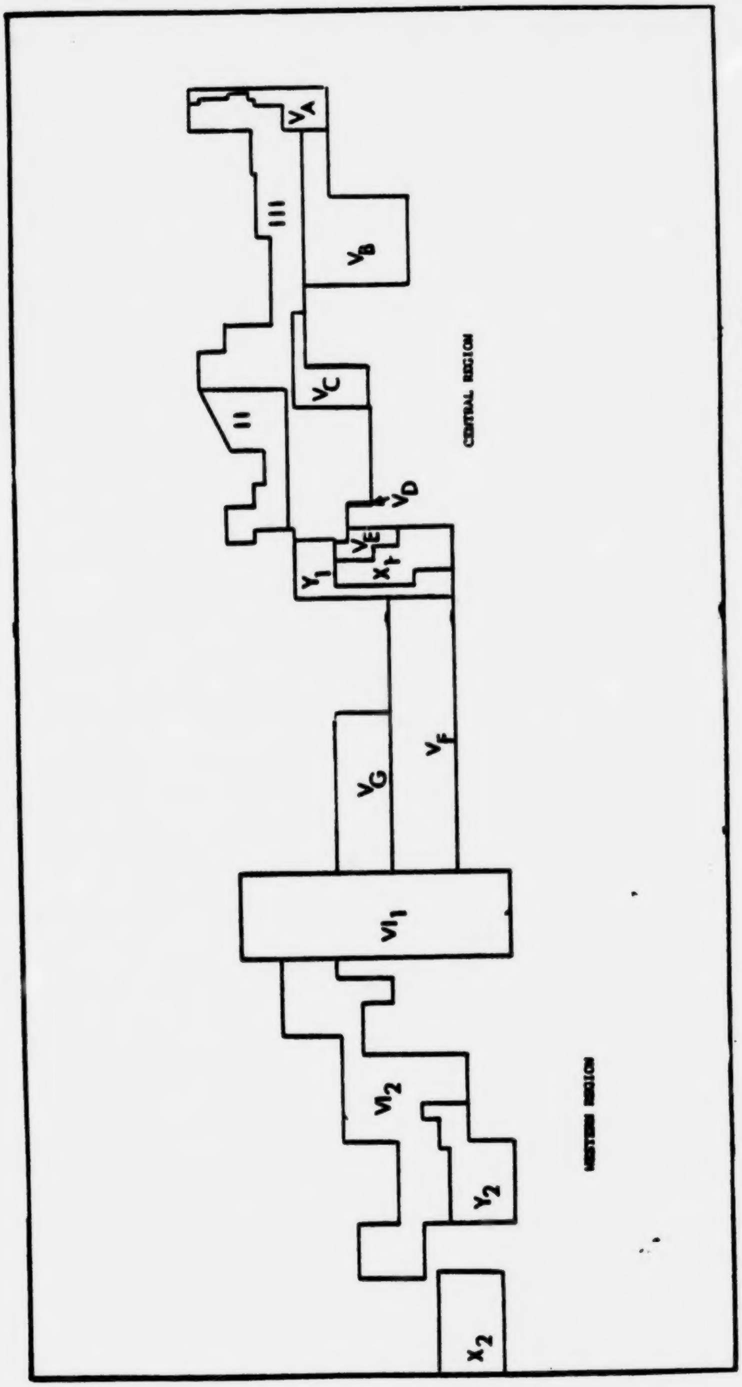

HAWAII
CLARION FRACTURE ZONE
CLIPPERTON FRACTURE ZONE
WESTERN REGION
CENTRAL REGION
▨ = application areas after relinquishment
☐ = relinquished areas

Figure 1. General location of the Soviet Union's application areas in the Pacific Ocean.



V_A
III
V_B
V_C
II
V_D
V_E
X_1
Y_1
CENTRAL REGION
V_F
V_G
VI_1
VI_2
WESTERN REGION
Y_2
X_2

Figure 2. Disposition of sectors in the application of the Soviet Union.

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E. Overlaps and applicant contribution

11. In order to confirm that there were no overlaps among the French, Japanese and Soviet application areas, all co-ordinates were plotted on a base map at a scale of 1:5,000,000. Common boundaries between application areas were examined graphically and by checking the individual co-ordinates. It was concluded that there were no overlaps among the areas applied for.

12. At the time applicants made their general introductory presentation to the Group, each applicant, in the presence of other applicants, identified the sector to be contributed by it to the Authority in the central region.

II. EXAMINATION OF INFORMATION AND TECHNICAL DATA SUBMITTED BY THE APPLICANT

A. Information and data submitted

13. The following technical documents were submitted in the application:

(a) A volume containing basic information related to the applicant, certification of the level of expenditure, assurances regarding the absence of overlapping areas and the following technical data and information:

- (i) Overview map of the application area;
- (ii) List of co-ordinates of the application area;
- (iii) Map indicating the location of the sectors in the application area;
- (iv) List of co-ordinates of geological stations and chemical analysis of nodules;
- (v) Estimated commercial value of the sectors in the application area;
- (vi) Technical characteristics of the equipment used for prospecting;

(b) A series of maps showing:

- (i) Geological stations;
- (ii) Bathymetry;
- (iii) Geomorphological divisions;
- (iv) Nodule population.

14. The applicant's representatives also provided the following:

(a) Supplementary information on prospecting technology;

(b) The nature of "Yuzhmorgeologiya" and the history of their prospecting work;

(c) Additional copies of charts to facilitate the Group's analysis.

15. The representatives of the applicant provided clarifications as required on information and technical data submitted.

16. It was noted that all technical data submitted in the application have been gathered using standard and recognized methods.

B. Methodology

1. General

17. The Group reviewed the methodology used to evaluate the application of India and concluded that similar methodology should be used to evaluate the application of the USSR. The Group considered using a number of possible indicators that might be useful in assessing equal estimated commercial values of areas. It was recognized that any approach should be based on the fact that the data reflect the prospecting or exploration stage and that it should be based on a relative comparison of the areas and not on an assessment of absolute commercial potential or the economic feasibility of commercial operations in the areas.

18. As in the case of India, the most important factors to be considered were the metal content, nodule abundance, bathymetry and geomorphology. Because the central and western regions are separated by some distance, possible differences in weather conditions that could affect exploration and mining operations were also considered.

19. The Soviet Union application provides information on grade and abundance at 1,177 sample locations in the area of 207,328 sq km. The information presented for a given station is the average of several observations in the immediate vicinity. For the vast majority of the application area, the sample locations are regularly spaced on a sample grid 13 km apart.

2. Abundance of nodules

20. Data on average abundance and nodule tonnage supplied in the application was checked for arithmetic accuracy. Total tonnage and the average tonnage per sq km was used for comparing various sectors and areas. The geographical distribution of abundance in the different areas was reviewed on maps provided by the applicant and analysed in order to determine whether areas being evaluated contained sectors of higher abundance.

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3. Metal content

21. With respect to metal content, the Group evaluated the relative amounts of nickel, cobalt and manganese contained in the nodules for the sectors being considered. The basic information used to make these comparisons was provided by the applicant as the tonnage of each metal contained in the nodules per sq km at each location. The evaluations were checked for arithmetic accuracy. It was decided not to develop separate information on copper, except in specific cases, in view of the well-established relationship between copper and nickel that allows the characteristics of copper to be closely approximated by the analysis of nickel.

22. Metal accumulation, together with per cent metal, was plotted on charts in order to evaluate the relative distribution and trends in the various sectors. This procedure was carried out for each individual metal and used to determine whether areas and sectors being evaluated contained larger areas of higher-grade nodules and/or greater quantity of contained metals.

23. As appropriate, cumulative frequency distributions of the metal accumulations in the various sectors were developed in order to allow the Group to make more detailed comparisons.

24. The Group noted some variation between their calculations for tonnage of wet nodules, and metals and those in the Soviet Union's application for Sector X_1. The tonnage estimate calculations by the Group were slightly higher than those provided by the applicant. This is attributed to legitimate differences in methodology and, while not considered to be of significance, it is taken into account by the Group.

4. Bathymetry and geomorphology

25. The examination of bathymetric features in all sectors of the application area was carried out by checking and comparing all maps and information provided by the applicant. The nature of the data available at the prospecting stage only allows the possibility of a regional comparison of the sectors.

26. In addition to the bathymetric map, the Soviet Union's application included a map illustrating various geomorphological units and major structural features within the application area. This facilitated the analysis of the Group.

27. The evaluation focused on the types of bathymetric features found in various sectors and their slope angles, size, frequency and distribution.

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III. DETERMINATION OF EQUAL ESTIMATED COMMERCIAL VALUE FOR THE AREA RECOMMENDED TO BE RESERVED FOR THE AUTHORITY AND THE AREA RECOMMENDED TO BE ALLOCATED TO THE APPLICANT

A. General description

1. General features

28. All the selected sectors of the applicant are situated in a structural zone striking WSW-ENE. The zone is located between the Clarion Fracture Zone to the north and the Clipperton Fracture Zone to the south. It is an exceptional zone from the standpoint of the metal content and the high abundance of polymetallic nodule deposits. This possibly results from favourable tectonic and geological conditions that largely control the process of formation of the nodules.

29. This zone contains deposits that are more attractive as compared with deposits in regions outside the zone.

30. The WSW-ENE striking structural zone is considered to be a tectonic element of the first order. Second order tectonic elements such as abyssal hills and valleys with relief up to 200 m and volcanic structures with relief that may exceed 600 m are superimposed.

2. Abundance of nodules

31. The abundance of nodules in the application area varies considerably from one location to another. In most of the areas, it was not possible to determine consistent areas of low and high abundance. In some places, the low abundance areas that could be delineated are rather doubtful due to the complicated shapes and probably do not represent the actual distribution on the sea-bottom.

3. Metal content

32. Nickel. Because of the small distance between sample locations and the general uniformity of nickel grade, regional patterns of nickel accumulation were difficult to ascertain. Areas of high accumulation are interspersed with areas of low accumulation throughout all sectors, although a somewhat lower percentage of Sectors VI_1 and VI_2 have favourable accumulations. In the specific case of Sector X_2, the smaller amount of data makes comparison with other sectors difficult.

33. Manganese. Manganese was considered with respect to metal accumulation in both areas. The analyses of the data show the same pattern as in the case of nickel, and the same conclusion is drawn.

34. Cobalt. The spatial distribution of cobalt accumulation was found to be generally consistent throughout the application area.

4. Bathymetry and geomorphology

35. The bathymetric and geomorphological analyses of the areas have revealed that, despite some differences in the relief and frequency of secondary features, the bathymetry and geomorphology are comparable in the total application area. The sea-bottom in the application area is slightly hilly and characterized by irregularly distributed volcanic structures.

36. In general, slopes do not exceed 8°, except for volcanic structures, where slopes may reach 10° or more. The general direction of the second-order structures is mainly NNW-SSE and N-S in the central region.

37. The Group concluded that when all factors are considered the sea-bottom topography in the areas is essentially similar.

B. Selection of additional areas for allocation

1. Abundance of nodules

38. The statistical and geographical distribution of abundance and tonnage of nodules in the sectors being evaluated indicates that they are of equal commercial value.

2. Metal content

39. Nickel. The Group's calculation of nickel tonnages in Sectors X_2, Y_1 and Y_2 were in good agreement with the information in the application and in the case of X_1 were slightly higher. Sector X_1 has an area of high nickel accumulation that the Group considered attractive.

40. Based on all the calculations, it appears that Sectors X_1 and X_2 compare favourably with Sectors Y_1 and Y_2. Because X_1 has a high-grade zone with a relatively higher concentration than Y_1, the combination of X_1 and X_2 is favoured from the standpoint of nickel.

41. Cobalt. While an analysis of the grade and tonnage suggests that Sectors X_1 and X_2 and Sectors Y_1 and Y_2 are similar, the latter sectors are favoured on the basis of metal accumulation.

42. Manganese. The distributions of manganese concentrations in Sectors X_1 and X_2 and Sectors Y_1 and Y_2 are virtually identical. Sector X_1, however, has a larger area of higher values than the other sectors and better concentrations.

3. Bathymetry and geomorphology

43. From the standpoint of bathymetry and geomorphology, Sectors X_1 and Y_1 are similar and occur on a generally elevated region in the application area. Sector Y_2, as compared to X_2, has a higher frequency of sea mounts and

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relatively steep slopes that would not be favourable for mining. Sectors X_1 and X_2 show slightly better regional relief features.

4. Conclusion

44. The Group decided to recommend for consideration of the General Committee that Sectors X_1 and X_2 should be selected for inclusion in the area to be reserved for the Authority and that Sectors Y_1 and Y_2 should be selected for incorporation into the area to be allocated to the applicant.

C. Evaluation of equal estimated commercial values in the total area to be reserved for the Authority and the total area to be allocated to applicant

1. Criterion of size

45. With the recommendation of the additional area proposed for selection by the Group, the area that will be selected in accordance with LOS/PCN/L.41/Rev.1, annex, paragraph 13 (2), in addition to the 52,300 sq km area identified by the applicant to be allocated to it will be as follows:

In the central region, Sector Y_1	8 940 sq km
In the western region, Sector Y_2	13 760
	22 700 sq km

The total of the two areas taken together amounts to 75,000 sq km. With this, the criterion of size has been met.

46. With the recommendation of the additional area proposed for selection by the Group, the area to be reserved for the Authority would comprise:

(a) Sector II in the central region to be contributed by the applicant in accordance with paragraph 13 (1) (c) and (d) 1/	15 000 sq km
(b) The additional areas selected in accordance with paragraph 13 (2):	
Sector X_1 in the central region	8 940 sq km
Sector X_2 in the western region	13 760
with a subtotal of	22 700 sq km
(c) The remaining sectors:	
Sector VI_1 in the western region	48 361 sq km
Sector VI_2 in the western region	46 267
with a subtotal of	94 628 sq km
The total area to be reserved will be	132 328 sq km

47. The area to be allocated to the applicant would comprise:

(a) The area identified by the applicant for incorporation in the area to be allocated to it:

Sector III in the central region	52 300 sq km

(b) The sectors selected in accordance with paragraph 13 (2):

Sector Y_1 in the central region	8 940 sq km
Sector Y_2 in the western region	13 760
with a subtotal of	22 700 sq km
The total area to be allocated will be	75 000 sq km

2. Evaluation of results

48. The results of all analyses carried out for the areas proposed to be reserved for the Authority and the areas proposed to be allocated to the applicant reveal the following:

(a) The area to be reserved for the Authority is much larger than the area to be allocated to the applicant. This offers more opportunities to the Authority of finding potential mine sites in the reserved area, taking also into account that it lies in the Clarion-Clipperton Zone known to have favourable geological and ore-controlling environments;

(b) The estimated total tonnages of the nodules and the metals are much higher in the area proposed to be reserved for the Authority due to its size than those proposed to be allocated to the applicant;

(c) The area containing higher abundance and metal grades relevant for future mining estimated statistically in the area to be reserved for the Authority as well as in the area to be allocated to the applicant is comparable;

(d) The geographical distribution of the areas containing high values appear more dispersed in the case of the area proposed to be reserved for the Authority than in the area proposed to be allocated to the applicant;

(e) The bathymetric and geomorphological features in the two areas are essentially similar.

/...

3. Conclusion

49. Based on the results of investigations and analysis of the data available at the present level of prospecting and exploration for polymetallic nodules, the Group was of the view that both the areas offer similar potentials in terms of finding competitive mine sites in the respective areas. Accordingly, the estimated commercial value of the area proposed to be reserved for the Authority may thus be considered equal to the estimated commercial value of the area proposed to be allocated to the applicant.

IV. DETERMINATION OF EQUAL ESTIMATED COMMERCIAL VALUE OF AREAS REFERRED TO IN LOS/PCN/L.41/Rev.1, ANNEX, PARAGRAPH 13 (1) (c) AND (d)

1. Adequacy of data

50. The Group considered that the data provided in the applications of France, Japan and the Soviet Union were sufficient to compare the estimated commercial value of the areas formed by the contributions made by each of the three applicants with the average of the estimated commercial values of the areas identified by each applicant for incorporation into their respective allocated areas.

2. Criteria of size and location of the areas

51. The areas contributed by each applicant to the area to be reserved for the Authority under LOS/PCN/L.41/Rev.1, annex, paragraph 13 (1) (c) and (d) meet the criteria for size and are located in the north-east Pacific Ocean referred to in this report as the "central region". The areas identified by each applicant for incorporation into the respective allocated areas amount to and do not exceed the limit of 52,300 sq km for each applicant.

52. The areas contributed by the applicants and areas identified by them are as follows:

	Areas identified for incorporation into the allocated areas (sq km)		Contributed areas (sq km)	
Applicant	**Actual**	**Criteria**	**Actual**	**Criteria**
France	52 290	52 300	20 180	20 000
Japan	52 300	52 300	17 300	17 300
Soviet Union	52 300	52 300	15 000	15 000

/...

3. Results of evaluation

53. The results of various analyses made by the Group indicated that the combination of contributed areas were similar to the average of the three identified areas in respect of bathymetry. In respect of the average in situ tonnage of wet nodules, the average of the three identified areas was higher than the combination of contributed areas by 1 per cent. In respect of average manganese, nickel and copper metal tonnages in situ, the difference between the combined contributed areas and the average of the three identified areas was in the range of 6 to 8 per cent in favour of the identified areas, while for cobalt the difference was about 3 per cent in favour of the combination of contributed areas. These differences may be viewed in the context of the estimation error of about 30 per cent which is normal at this level of prospecting and exploration. It was further noted that the range of calculated tonnages for nodules as well as the metals were comparable particularly with respect to their upper limits.

54. The Group also noted that with the data available at this level of prospecting and exploration and with the attendant uncertainty in the estimates, the differences in in situ resources of the above magnitude were within the range of estimation errors in such situations. With the present level of knowledge, therefore, it emerges that the areas contributed by the applicants to be reserved for the Authority provide it with a fair and reasonable opportunity to find and develop a mine site that could be competitive with the mine sites that may be found in the areas identified by each applicant.

4. Conclusion

55. In view of the above considerations, the Group concluded that the estimated commercial value of the combination of the contributed areas may be considered to be equal to the average of the estimated commercial value of the areas identified by each of the three applicants.

V. RECOMMENDATIONS

56. The following conclusions were reached unanimously by the Group.

(a) Having examined the particulars submitted by the applicant which are summarized in part I of the present report, the Group has concluded that the application has been submitted in accordance with resolution II and the understandings contained in documents LOS/PCN/L.41/Rev.1 and LOS/PCN/L.43/Rev.1.

(b) As regards the designation of the reserved area and the allocation of the pioneer area, the Group, in the light of the conclusions reached in the present report, agreed to recommend for the consideration of the General Committee:

(i) That the area consisting of Sector II (15,000 sq km in the central region), Sector X_1 (8,940 sq km in the central region), Sector X_2 (13,760 sq km in the western region), Sector VI_1 (46,267 sq km in the western region) and Sector VI_2 (48,361 sq km in the western region), with a total area of 132,328 sq km, should be designated as the reserved area;

(ii) That the area consisting of Sector III (52,300 sq km in the central region), Sector Y_1 (8,940 sq km in the central region) and Sector Y_2 (13,760 sq km in the western region), with a total of 75,000 sq km, should be designated as the pioneer area to be allocated to the applicant.

Notes

1/ The paragraphs referred to are in LOS/PCN/L.41/Rev.1, annex.

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Annex I

LIST OF MEMBERS OF THE GROUP OF TECHNICAL EXPERTS

1. Mr. Samuel Sona Betah
Sub-Director of Geology
Ministry of Mines and Power
Yaoundé, Cameroon

2. Dr. Zhang Bingxi
Chairman, Advisory Committee for Science and Technology
Ministry of Geology and Mineral Resources
Beijing 100812, People's Republic of China

3. Dr. Alfredo José da Silva Netto
Assistant to the Directorate for Exploration and Production
PETROBRAS
Avenida República do Chile, 65, 23 Andar
Rio de Janeiro, RJ 20035
Brazil

4. Dr. Igor Sergeevich Gramberg
Director, Institute of Geology and Mineral Resources
of the World's Oceans
Ministry of Geology of the USSR
Moscow, USSR

5. Dr. Knut S. Heier
Director
Geological Survey of Norway
Leiv Eirikssons v. 39
PO Box 3006 Lade
N-7002 Trondheim
Norway

6. Mr. Takeshi Izumi
Director General
Overseas Activities Department
Metal Mining Agency of Japan
Tokiwa Building,
1-24-14, Toranomon, Minato-ku
Tokyo, Japan

7. Mr. Hicuunga H. E. Kambaila
Chief Inspector of Mines
Mines Safety Department
P.O. Box 21006
Kitwe, Republic of Zambia

/...

8. Mr. Naphtali Ndiritu Kamundia
Geologist, Government of Kenya
PO Box 30009
Nairobi, Kenya

9. M. Jean-Pierre Lenoble
Institut français de recherche pour l'exploitation
de la mer (IFREMER)
Chargé de Mission "Nodules polymétalliques" auprès
du Président Directeur Général
66 Avenue d'Iéna
75116 Paris, France

10. Dr. Alfonso López-Reina
Director de Investigaciones Científicas
de la Universidad Militar de Colombia
Carrera 11, calle 100
Bogotá, Colombia

11. Mr. Sulaiman Zuhdi Paue
General Manager, Joint Operating Body (JOB)
Pertamina-Japex North Sumatra Ltd.
Skyline Building, 19th Floor
Jln. M.H. Thamrin No. 9
Jakarta-10340, Indonesia

12. Ing. Luis G. Preval Páez
Principal Specialist of the Production, Investments
and Metallurgical Mining Development Division
of the Ministry of Basic Industry
Havana, Cuba

13. Mr. David W. Pasho
Director, Ocean Mining Division
Mineral Policy Sector
Department of Energy, Mines and Resources
Ottawa, Canada

14. Dr. Bodo Schirmer
Special Representative of the Minister of Geology
Central Geological Institute
Invalidenstrasse 44
1040 Berlin
German Democratic Republic

15. Dr. T. R. P. Singh
Senior Manager
Engineers India Ltd.
R. K. Puram
New Delhi 110066
India

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C. DECISION ADOPTED ON 17 DECEMBER 1987 BY THE GENERAL COMMITTEE OF THE PREPARATORY COMMISSION FOR THE INTERNATIONAL SEA-BED AUTHORITY AND FOR THE INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA ON THE APPLICATION OF THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

1. Pursuant to resolution II of the Third United Nations Conference on the Law of the Sea and the statement on the implementation of resolution II of the Preparatory Commission of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex) and the statement of understanding on the implementation of resolution II of 10 April 1987 (LOS/PCN/L.43/Rev.1), the General Committee, in accordance with rule 14, paragraph 3, of the rules of procedure of the Preparatory Commission, considered the application submitted by the Government of the Union of Soviet Socialist Republics on behalf of the Soviet State enterprise "Yuzhmorgeologiya" for registration as a pioneer investor under resolution II. The General Committee had before it a report of the Group of Technical Experts (LOS/PCN/BUR/R.4) established by the Preparatory Commission to examine the application. In addition, the applicant had released for the consideration of the General Committee excerpts from its application (LOS/PCN/BUR/INF/R.2).

2. The General Committee noted that, in accordance with paragraph 4 of the statement of understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex), the Group of Technical Experts had concluded that the application of the Union of Soviet Socialist Republics had been submitted in conformity with resolution II and, *inter alia*, the General Committee noted that the Group of Technical Experts concluded that:

(a) The estimated commercial value of the area proposed to be reserved for the Authority may be considered equal to the estimated commercial value of the area proposed to be allocated to the applicant;

(b) The estimated commercial value of the contributed areas in the north-east Pacific Ocean referred to in the report of the Group of Technical Experts as the "central region" may be considered to be equal to the average of the estimated commercial value of the areas identified by the three applicants, namely France, Japan and the Union of Soviet Socialist Republics, for incorporation into their respective areas.

3. The General Committee also notes that the Union of Soviet Socialist Republics, having signed the United Nations Convention on the Law of the Sea on 10 December 1982, as a certifying State, stated that:

(a) The application area is located beyond the limits of national jurisdiction of any State;

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* Originally issued under the symbol LOS/PCN/99.

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(b) The application area is free from overlapping claims;

(c) The applicant agrees to pay the fee of $US 250,000 to the Preparatory Commission as soon as certain administrative arrangements have been made for the transfer of such fees;

(d) The applicant undertakes to comply with the provisions of resolution II of the Third United Nations Conference on the Law of the Sea, including paragraph 12. It will also conduct its pioneer activities in accordance with the relevant provisions of resolution II and the principles relating to the preservation of the marine environment as set out in the United Nations Convention on the Law of the Sea;

(e) The pioneer activities shall be conducted in a manner compatible with the United Nations Convention on the Law of the Sea.

4. The General Committee, having considered the application submitted by the Union of Soviet Socialist Republics, and taking into account the report submitted by the Group of Technical Experts, has noted with appreciation the conclusions reached by the Group of Technical Experts:

(a) That the application submitted by the Union of Soviet Socialist Republics is in conformity with resolution II and the statements contained in documents LOS/PCN/L.41/Rev.1, annex, and LOS/PCN/L.43/Rev.1;

(b) That the area consisting of Sector II (15,000 sq km in the central region), Sector X_1 (8,940 sq km in the central region), Sector X_2 (13,760 sq km in the western region), Sector VI_1 (46,267 sq km in the western region) and Sector VI_2 (48,361 sq km in the western region), with a total of 132,328 sq km (hereinafter referred to as Area A(SU)), be designated as the reserved area;

(c) That the area consisting of Sector III (52,300 sq km in the central region), Sector Y_1 (8,940 sq km in the central region), Sector Y_2 (13,760 sq km in the western region), with a total of 75,000 sq km (hereinafter referred to as Area B(SU)), be designated as the pioneer area to be allocated to the applicant;

(d) That the area consisting of Sectors V_A to V_G, which fall partly in the central and partly in the western region, with a total of 92,672 sq km (hereinafter referred to as Area C(SU)), be the part of the application area to be voluntarily relinquished and to be reserved to form part of the application areas of potential applicants in accordance with LOS/PCN/L.41/Rev.1, annex, paragraphs 9 and 12.

5. The Committee further notes that the list of co-ordinates of Areas A(SU), B(SU) and C(SU) has been deposited with the Secretary-General.

6. Accordingly, the General Committee, taking into account the readiness of the applicant and the certifying State to comply with their obligations under resolution II and the statements contained in documents LOS/PCN/L.41/Rev.1, annex, and LOS/PCN/L.43/Rev.1,

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DECIDES:

(a) To designate Area A(SU) as part of the application area which is to be reserved for the conduct of activities by the Authority in the Area through the Enterprise or in association with developing States;

(b) To allocate Area B(SU) as a pioneer area to the applicant, "Yuzhmorgeologiya";

(c) That Area C(SU), which forms part of the application area and is to be voluntarily relinquished simultaneously with registration, be reserved to form part of the application areas of potential applicants in accordance with LOS/PCN/L.41/Rev.1, annex, paragraphs 9 and 12;

(d) To annex the co-ordinates of Areas A(SU), B(SU) and C(SU) hereto;

(e) That a certificate of registration shall be issued to the applicant.

7. The certificate of registration of the application submitted by the Government of the Union of Soviet Socialist Republics on behalf of "Yuzhmorgeologiya" shall record:

(a) The identity of the applicant and of the certifying State;

(b) The date of signature of the Convention by the certifying State;

(c) The date of receipt of the application and any revisions thereto;

(d) The date of the decision for registration as a pioneer investor;

(e) The date of registration as a pioneer investor;

(f) The precise geographical co-ordinates of the area allocated to the applicant as a pioneer area;

(g) The exclusive right of the pioneer investor to carry out pioneer activities in the pioneer area allocated to it under resolution II of the Third United Nations Conference on the Law of the Sea;

(h) The requirements of compliance by the pioneer investor with its obligations under resolution II and the statements contained in documents LOS/PCN/L.41/Rev.1, annex and LOS/PCN/L.43/Rev.1;

(i) The requirements of compliance by the certifying State with its commitments under resolution II.

8. The General Committee

REQUESTS the Secretary-General of the United Nations:

/...

(a) To inform all the participants of the Preparatory Commission of this decision;

(b) To give due publicity to the co-ordinates of Areas A(SU), B(SU) and C(SU);

(c) To maintain a register for the purpose of registering the pioneer investor and to record the area reserved for the Authority and the area voluntarily relinquished in accordance with LOS/PCN/L.41/Rev.1, annex, paragraphs 9 and 12;

(d) To advise the applicant of the administrative arrangements necessary for the payment of the fee and to prepare and issue to the applicant a certificate of registration.

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Annex

CO-ORDINATES OF THE TURNING POINTS OF AREAS A(SU), B(SU) AND C(SU) REFERRED TO IN PARAGRAPH 6 (a), (b) AND (c) OF THIS DECISION

(These co-ordinates previously constituted annex II to the report of the Group of Technical Experts (LOS/PCN/BUR/R.4).)

1. Area A(SU), designated as the area reserved for the conduct of activities by the Authority in the Area through the Enterprise or in association with developing States, is bounded by lines joining the following turning points, the co-ordinates of which are listed below:

Turning points	Latitude (N)	Longitude (W)
1	14° 00'	133° 50'
2	14° 00'	134° 00'
3	14° 21'	134° 00'
4	14° 21'	133° 32'
5	14° 00'	133° 32'
6	14° 00'	133° 15'
7	13° 52'	133° 15'
8	13° 52'	132° 48'
9	14° 17.40'	132° 48'
10	14° 40'	132° 00'
11	13° 34.805'	132° 00'
12	13° 34.805'	133° 50'
1	14° 00'	133° 50'
1	11° 30'	134° 22.648'
2	12° 00'	134° 22.648'
3	12° 00'	134° 35'
4	13° 00'	134° 35'
5	13° 00'	134° 15'
6	12° 30'	134° 15'
7	12° 30'	134° 04'
8	12° 11.60'	134° 04'
9	12° 11.60'	133° 50'
10	11° 30'	133° 50'
1	11° 30'	134° 22.648'
1	11° 00'	145° 00'
2	11° 50'	145° 00'
3	11° 50'	143° 37.90'
4	11° 00'	143° 37.90'
1	11° 00'	145° 00'

/...

Turning points	Latitude (N)	Longitude (W)
1	10° 50'	139° 30'
2	14° 15'	139° 30'
3	14° 15'	138° 22.412'
4	10° 50'	138° 22.412'
1	10° 50'	139° 30'
1	11° 40'	143° 00'
2	12° 00'	143° 00'
3	12° 00'	143° 43.244'
4	12° 50'	143° 43.244'
5	12° 50'	143° 00'
6	12° 19'	143° 00'
7	12° 19'	141° 55'
8	13° 00.066'	141° 55'
9	13° 00.066'	140° 31'
10	13° 45'	140° 31'
11	13° 45'	139° 31'
12	13° 03'	139° 31'
13	13° 03'	139° 46'
14	12° 21'	139° 46'
15	12° 21'	140° 06'
16	12° 44'	140° 06'
17	12° 44'	140° 46'
18	11° 25'	140° 46'
19	11° 25'	141° 25.172'
20	12° 00'	141° 25.172'
21	12° 00'	141° 37'
22	11° 47.375'	141° 37'
23	11° 47.375'	142° 00'
24	11° 40'	142° 00'
1	11° 40'	143° 00'

/...

2. Area B(SU), allocated as a pioneer area to the applicant, "Yuzhmorgeologiya", is bounded by lines joining the following turning points, the co-ordinates of which are listed below:

Turning points	Latitude (N)	Longitude (W)
1	12° 31.10'	133° 30.60'
2	12° 50'	133° 30.60'
3	12° 50'	134° 00'
4	13° 00'	134° 00'
5	13° 00'	134° 35'
6	12° 00'	134° 35'
7	12° 00'	134° 22.648'
8	11° 30'	134° 22.648'
9	11° 30'	134° 45'
10	13° 30'	134° 45'
11	13° 30'	133° 50'
12	13° 34.805'	133° 50'
13	13° 34.805'	132° 00'
14	14° 40'	132° 00'
15	14° 40'	131° 30'
16	14° 20'	131° 30'
17	14° 20'	131° 10'
18	13° 45'	131° 10'
19	13° 45'	130° 00'
20	13° 55'	130° 00'
21	13° 55'	129° 10'
22	13° 58'	129° 10'
23	13° 58'	128° 35'
24	14° 45'	128° 35'
25	14° 45'	128° 12.50'
26	14° 37.50'	128° 12.50'
27	14° 37.50'	128° 09.13'
28	14° 15'	128° 09.13'
29	14° 15'	128° 05'
30	14° 00'	128° 05'
31	14° 00'	128° 10'
32	13° 55'	128° 10'
33	13° 55'	128° 15'
34	13° 34.56'	128° 15'
35	13° 34.56'	128° 35'
36	13° 20.20'	128° 35'
37	13° 20.20'	130° 00'
38	13° 20'	130° 00'
39	13° 20'	131° 00'
40	13° 29'	131° 00'
41	13° 29'	132° 15'
42	12° 31.10'	132° 15'
1	12° 31.10'	133° 30.60'

/...

Turning points	Latitude (N)	Longitude (W)
1	10° 50'	143° 00'
2	11° 40'	143° 00'
3	11° 40'	142° 00'
4	11° 47.375'	142° 00'
5	11° 47.375'	141° 37'
6	12° 00'	141° 37'
7	12° 00'	141° 25.172'
8	11° 25'	141° 25.172'
9	11° 25'	141° 55'
10	10° 50'	141° 55'
1	10° 50'	143° 00'

/...

3. Area C(SU), which was voluntarily relinquished simultaneously with registration and is reserved to form part of the application areas of potential applicants in accordance with resolution II and LOS/PCN/L.41/Rev.1, annex, paragraphs 9 and 12, is bounded by lines joining the following turning points, the co-ordinates of which are listed below:

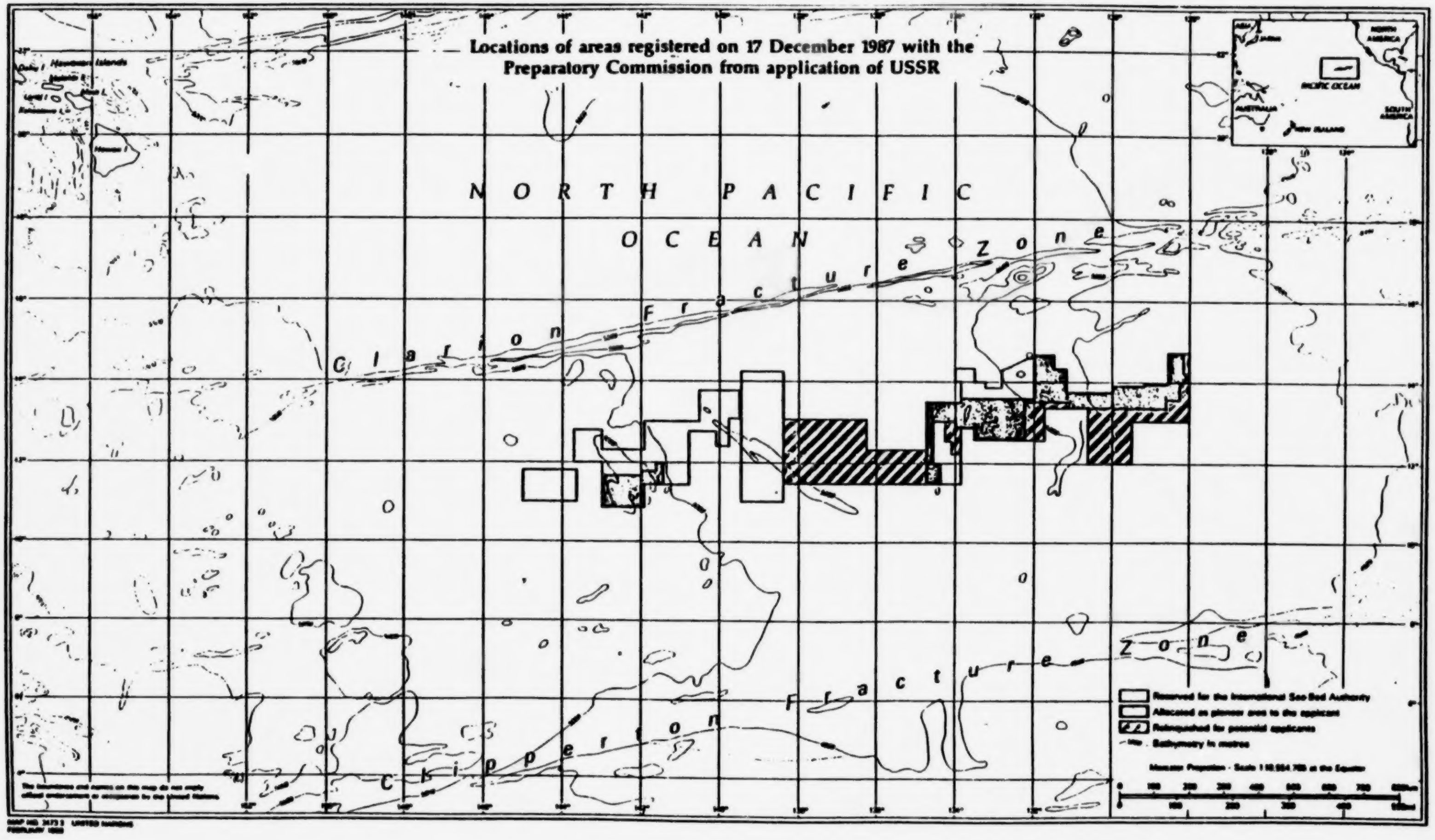
Turning points	Latitude (N)	Longitude (W)
1	12° 00'	130° 39'
2	13° 20'	130° 39'
3	13° 20'	130° 00'
4	13° 20.20'	130° 00'
5	13° 20.20'	128° 35'
6	13° 34.56'	128° 35'
7	13° 34.56'	128° 15'
8	13° 55'	128° 15'
9	13° 55'	128° 10'
10	14° 00'	128° 10'
11	14° 00'	128° 05'
12	14° 15'	128° 05'
13	14° 15'	128° 09.13'
14	14° 37.50'	128° 09.13'
15	14° 37.50'	128° 12.50'
16	14° 45'	128° 12.50'
17	14° 45'	128° 02'
18	13° 00'	128° 02'
19	13° 00'	129° 29'
20	12° 00'	129° 29'
1	12° 00'	130° 39'
1	12° 32'	132° 15'
2	13° 29'	132° 15'
3	13° 29'	131° 00'
4	13° 20'	131° 00'
5	13° 20'	131° 43'
6	12° 32'	131° 43'
1	12° 32'	132° 15'
1	12° 50'	133° 30.60'
2	12° 32'	133° 30.60'
3	12° 32'	133° 32'
4	12° 50'	133° 32'
1	12° 50'	133° 30.60'

/...

Turning points	Latitude (N)	Longitude (W)
1	12° 11.60'	134° 04'
2	12° 30'	134° 04'
3	12° 30'	134° 15'
4	13° 00'	134° 15'
5	13° 00'	134° 00'
6	12° 50'	134° 00'
7	12° 50'	133° 50'
8	12° 11.60'	133° 50'
1	12° 11.60'	134° 04'
1	11° 30'	138° 22.412'
2	13° 02'	138° 22.412'
3	13° 02'	136° 16.262'
4	12° 20.034'	136° 16.262'
5	12° 20.034'	134° 45'
6	11° 30'	134° 45'
1	11° 30'	138° 22.412'

/...

D. MAP OF LOCATIONS OF AREAS REGISTERED ON 17 DECEMBER 1987 WITH THE PREPARATORY COMMISSION FROM APPLICATION OF THE UNION OF SOVIET SOCIALIST REPUBLICS


Locations of areas registered on 17 December 1987 with the Preparatory Commission from application of USSR
NORTH PACIFIC OCEAN
Clarion Fracture Zone
Clipperton Fracture Zone
Hawaiian Islands
PACIFIC OCEAN
NORTH AMERICA
SOUTH AMERICA
AUSTRALIA
NEW ZEALAND
Reserved for the International Sea-Bed Authority
Allocated as pioneer area to the applicant
Relinquished for potential applicants
Bathymetry in metres

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PART TWO. REGISTRATION OF SUBSEQUENT APPLICANTS

V. REGISTRATION OF THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA

A. RECEIPT OF APPLICATION FROM THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA FOR REGISTRATION OF THE CHINA OCEAN MINERAL RESOURCES RESEARCH AND DEVELOPMENT ASSOCIATION AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

Note by the Secretary-General

1. In accordance with the procedures and guidelines for registration of pioneer investors under resolution II of the Third United Nations Conference on the Law of the Sea, as contained in annex II of document LOS/PCN/27 dated 8 September 1983, the Secretary-General wishes to inform the Preparatory Commission that on 22 August 1990 the Special Representative of the Secretary-General for the Law of the Sea received from the Permanent Representative of the People's Republic of China to the United Nations a letter dated 20 August 1990, addressed to the Chairman of the Preparatory Commission, submitting on behalf of the China Ocean Mineral Resources Research and Development Association an application to the Preparatory Commission for the International Sea-Bed Authority and for the International Tribunal for the Law of the Sea for registration as a pioneer investor under the provisions of resolution II. The texts of the covering letter and of the application submitted are annexed hereto.

2. The application was accompanied by a sealed package said to contain details relating to the application.

3. The Government of the People's Republic of China signed the United Nations Convention on the Law of the Sea on 10 December 1982.

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* Originally issued under the symbol LOS/PCN/113.

Annex

Letter dated 20 August 1990 from the Permanent Representative of the People's Republic of China to the United Nations addressed to the Chairman of the Preparatory Commission

Pursuant to resolution II of the Third United Nations Conference on the Law of the Sea and the statement on the implementation of resolution II of the Preparatory Commission of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex) and the statement of understanding on the implementation of resolution II of 10 April 1987 (LOS/PCN/L.43/Rev.1), I have the honour hereby to submit, on behalf of the Chinese Government, the application to the Preparatory Commission for the International Sea-Bed Authority and for the International Tribunal for the Law of the Sea for registration of the China Ocean Mineral Resources Research and Development Association as a pioneer investor and for the allocation of a pioneer area.

(*Signed*) LI Daoyu
Permanent Representative and Ambassador
Extraordinary and Plenipotentiary of the
People's Republic of China to the
United Nations

20 August 1990, New York

APPLICATION OF THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA FOR REGISTRATION OF THE CHINA OCEAN MINERAL RESOURCES RESEARCH AND DEVELOPMENT ASSOCIATION AS A PIONEER INVESTOR

Contents

Application of the Government of the People's Republic of China for Registration of the China Ocean Mineral Resources Research and Development Association as a Pioneer Investor

Annex I: Certificate of Expenditure Concerning Pioneer Activities

Annex II: General Review of Deep-sea Polymetallic Nodules Resources Survey in China (confidential)

- A. Introduction
- B. Methods and Means Used for Survey
- C. General Features of the Application Area
- D. Delineation Plan for the Application Area and Evaluation of the Estimated Values

Annex III: Technical Data for the Application Area, and Figures and Tables (confidential)

Figure 1. Overview map of locations of the application area of China
Scale: 1:10,000,000 (one page, confidential)

Figure 2. Disposition of sectors in the application area of China
Scale: 1:5,000,000 (one page, confidential)

Figure 3. Sea-bed topographic map of the application area of China
Scale: 1:1,000,000 (5 pages, confidential)

Figure 4. Map indicating the distribution of sample locations, grade and abundance of polymetallic nodules in the application area of China
Scale: 1:1,000,000 (5 pages, confidential)

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Contents (continued)

Table 1. Co-ordinates of the turning-points of the application area of China (12 pages, confidential)

Table 2. Statistics of the amounts of polymetallic nodule resources in the application area of China (2 pages, confidential)

Table 3. Co-ordinates, metal contents and abundance of polymetallic nodules, and water depths of various stations in China's application area (13 pages, confidential)

Table 4. Survey equipment and analytical instruments (2 pages, confidential)

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APPLICATION OF THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA FOR REGISTRATION OF THE CHINA OCEAN MINERAL RESOURCES RESEARCH AND DEVELOPMENT ASSOCIATION AS A PIONEER INVESTOR

1. The People's Republic of China signed the United Nations Convention on the Law of the Sea on 10 December 1982.

2. Since the mid-1970s, exploration for mineral resources on the deep-sea bed has been conducted by several departments of China concerned and a national programme has been established for the survey, research and development of the deep-sea polymetallic nodule resources. Scores of survey cruises for polymetallic nodules in the Equatorial Pacific Ocean, Central Pacific Ocean Basin and eastern Pacific Ocean Basin have been carried out by R/Vs "Xiangyanghong 5", "Xiangyanghong 16" and "Haiyang 4" with a total surveyed area of more than 2,000,000 km^2. The total expenditure incurred was more than 180 million yuan renminbi (about $US 60 million). An application area totalling 300,000 km^2 has been delineated in the Pacific area between 7°-13°N, 138°-157°W, in accordance with the following indexes: (a) a mean sea-bed nodule abundance greater than 5 kg/m^2; (b) nodule grade (content of copper, nickel and cobalt combined) greater than 1.8 per cent; and (c) sea-bed slope less than 5°. The application area is of sufficient estimated commercial value to allow two mining operations.

3. China is comparatively rich in land-based mineral resources, but its per capita possession of mineral resources is much lower than that of the world average. In order to meet national economic development requirements, a portion of the manganese, copper, cobalt, etc. needed by the country is being imported. The reason for China's application regarding the said international sea-bed areas is to develop, under the principles set out in the United Nations Convention on the Law of the Sea, new sources of mineral resources so as to meet part of the country's need, and also to make a contribution to the whole of mankind in the exploitation of the international sea-bed.

4. Pursuant to resolution II of the Third United Nations Conference on the Law of the Sea and the statement on the implementation of resolution II of the Preparatory Commission of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex) and the statement of understanding on the implementation of resolution II of 10 April 1987 (LOS/PCN/L.43/Rev.1), the Chinese Government submits, on behalf of the China Ocean Mineral Resources Research and Development Association, hereinafter referred to as COMRA, the application to the Preparatory Commission for the International Sea-Bed Authority and for the International Tribunal for the Law of the Sea for registration as a pioneer investor and for the allocation of a pioneer area.

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Applicant:

(a) Name: China Ocean Mineral Resources Research and Development Association (COMRA)

(b) Mailing Address: 1 Fuxingmenwai Ave.
Beijing 100860, China

(c) Telephone: (01) 867283

(d) Telex: 22536 NBO CN

5. COMRA is a state-owned enterprise. It has been sufficiently supported and efficiently controlled by the State Oceanic Administration, Ministry of Geology and Mineral Resources, Ministry of Metallurgical Industry and China National Nonferrous Metals Industry Corporation.

6. The People's Republic of China as a certifying State ensures that the areas in respect of which application is made do not overlap with pioneer areas and reserved areas already delineated or with those claimed by the pioneer investors referred to in paragraph 1 (a) (ii) of resolution II of the Third United Nations Conference on the Law of the Sea. China has taken steps to make sure that the application area does not overlap with the areas claimed by the already known potential pioneer investors.

7. The application area is a part of the international sea-bed area as defined in article I, paragraph 1, of the United Nations Convention on the Law of the Sea and is beyond the limits of national jurisdiction of any State. The Government of the People's Republic of China shall ensure that the pioneer activities are conducted in a manner compatible with the United Nations Convention on the Law of the Sea.

8. The application area of China covers a total of 300,000 km^2, but this is not a single, continuous area. It consists of three areas referred to as Area CA, Area CB and Area CS respectively.

(1) Area CA, consisting of 5 sectors: CA_1 (43,266 km^2), CA_2 (7,591 km^2), CA_3 (2,370 km^2), CA_4 (20,231 km^2) and CA_5 (76,542 km^2), and totalling 150,000 km^2, is to be reserved for the Authority.

(2) Area CB, consisting of 5 sectors: CB_1 (21,253 km^2), CB_2 (25,428 km^2), CB_3 (6,831 km^2), CB_4 (17,269 km^2) and CB_5 (26,919 km^2), and totalling 97,700 km^2, is hoped to be allocated to the applicant as a part of the pioneer area of 150,000 km^2.

(3) Area CS, consisting of 3 sectors CS_1 (23,616 km^2), CS_2 (4,934 km^2) and CS_3 (23,750 km^2), and totalling 52,300 km^2, should be designated as the pioneer area for incorporation in the total area of 150,000 km^2 to be allocated to the applicant in accordance with the statement on the

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implementation of resolution II of the Preparatory Commission of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex), the statement of understanding on the implementation of resolution II of 10 April 1987 (LOS/PCN/L.43/Rev.1), the Report of the Group of Technical Experts to the General Committee of the Preparatory Commission for the International Sea-Bed Authority and for the International Tribunal for the Law of the Sea on the application of the Government of the Republic of India for registration as a pioneer investor under resolution II of the Third United Nations Conference on the Law of the Sea (LOS/PCN/BUR/R1) and the Decision adopted on 17 August 1987 by the General Committee of the Preparatory Commission for the International Sea-Bed Authority and for the International Tribunal for the Law of the Sea on the application of the Government of India as a pioneer investor under resolution II (LOS/PCN/94).

9. The People's Republic of China as a certifying State states that COMRA agrees to make the payment of $US 250,000 as the fee for registration as a pioneer investor and for the allocation of a pioneer area as soon as the applicant is advised by the Preparatory Commission.

10. The applicant undertakes to comply with the provisions of resolution II of the Third United Nations Conference on the Law of the Sea, including paragraph 12. It will also conduct its pioneer activities in accordance with the relevant provisions of resolution II and with the principles relating to the preservation of the marine environment as set out in the United Nations Convention on the Law of the Sea.

11. The data and information referred to in paragraph 3 (a) of resolution II are attached to this Application in a sealed envelope because of their confidential character.

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ANNEX I

CERTIFICATE OF EXPENDITURE CONCERNING PIONEER ACTIVITIES

This is to certify that the total expenditure incurred up to 31 December 1984 by the China Ocean Mineral Resources Research and Development Association in pioneer activities as defined in paragraph 1 (b) of resolution II of the Third United Nations Conference on the Law of the Sea is more than $US 30 million (calculated in constant dollars relative to 1982) and more than 10 per cent of this expenditure has been expended in the location, survey and evaluation of the area referred to in paragraph 3 (a) of resolution II.

YAN Hongmo
Administrator
State Oceanic
Administration of China

Beijing, China

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B. REPORT OF THE GROUP OF TECHNICAL EXPERTS TO THE GENERAL COMMITTEE OF THE PREPARATORY COMMISSION FOR THE INTERNATIONAL SEA-BED AUTHORITY AND FOR THE INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA ON THE APPLICATION OF THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA FOR REGISTRATION AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

LETTER OF TRANSMITTAL

14 December 1990

Dear Mr. Chairman,

We, the members of the Group of Technical Experts, appointed by the Chairman of the Preparatory Commission to examine the application of the Government of the People's Republic of China for registration as a pioneer investor in accordance with resolution II of the Third United Nations Conference on the Law of the Sea, have the honour to submit the attached report to the General Committee. The Group of Experts has undertaken an examination of the application in accordance with its mandate and the attached report which was unanimously adopted contains the result of this examination.

The meeting was held at United Nations Headquarters in New York. The Group met between 10 and 14 December 1990, during which period the Group held nine sessions.

We regret that two members of the Group, Mr. Igor Sergeevich Gramberg (Union of Soviet Socialist Republics) and Mr. Naphtali Ndiritu Kamundia (Kenya), were unable to attend the meeting. The Group wishes to express its appreciation for the co-operation of the representatives of the applicant, the Government of the People's Republic of China.

The Group of Experts would like to thank you and the Preparatory Commission for the opportunity to assist on the matter of registration of the People's Republic of China. The Group also wishes to draw to your attention the valuable

Mr. José Luis Jesus
Chairman of the Preparatory Commission
for the International Sea-Bed Authority
and for the International Tribunal for
the Law of the Sea
New York, New York

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* Originally issued under the symbol LOS/PCN/BUR/R.7.

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contribution made by the Special Representative of the Secretary-General for the Law of the Sea, Mr. Satya N. Nandan, and the secretariat of the Office for Ocean Affairs and the Law of the Sea in providing assistance throughout the meetings.

Yours sincerely,

Signed in New York on 14 December 1990:

Alfredo José DA SILVA NETTO
(Brazil)

Igor Sergeevich GRAMBERG
(Union of Soviet Socialist Republics)
(*absent*)

Knut S. HEIER
(Norway)

Takeshi IZUMI
(Japan)

Hicuunga H. E. KAMBAILA
(Zambia)

Naphtali Ndiritu KAMUNDIA
(Kenya) (*absent*)

Jean-Pierre LENOBLE
(France)

Alfonso LOPEZ-REINA
(Colombia)

Sulaiman Zuhdi PANE
(Indonesia)

David W. PASHO
(Canada)

Luis G. PREVAL PAEZ
(Cuba)

Bodo SCHIRMER
(Germany)

T. R. P. SINGH
(India)

Samuel SONA BETAH
(Cameroon)

ZHANG Bingxi
(China)

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INTRODUCTION

1. The Group of Technical Experts was established in accordance with the decision taken by the Preparatory Commission for the International Sea-Bed Authority and for the International Tribunal for the Law of the Sea which is embodied in paragraph 6 of the statement of understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex). The Group was mandated to determine whether applications for registration as pioneer investors are in conformity with resolution II of the Third United Nations Conference on the Law of the Sea, in particular with the principle of equal estimated commercial value, subject to the guidelines and procedures set forth in the statement of understanding of 5 September 1986 and the statement of understanding of 10 April 1987 (LOS/PCN/L.43/Rev.1) and to submit a report on each application to the General Committee. The Group noted that in case of there being different opinions among its members, such opinions shall be included in the report (LOS/PCN/L.41/Rev.1, annex, para. 4). 1/

2. In accordance with the relevant decision of the Preparatory Commission, the application of the People's Republic of China was examined to ensure whether it was in conformity with resolution II taking into account that the People's Republic of China, "like other applicants, if it so wishes, will identify in its application area, an area totalling 52,300 square kilometres for incorporation in the area of up to 150,000 square kilometres to be allocated to it as a pioneer area. The provisions on relinquishment in resolution II, paragraph 1 (e), shall apply to the allocated area." 2/

3. The Group of Technical Experts held its initial meeting on the morning of 10 December 1990. The Special Representative of the Secretary-General for the Law of the Sea, Mr. Satya N. Nandan, briefed the Group on its mandate and outlined the specific procedures that would be in effect to ensure the confidentiality of the data and information contained in the application of the People's Republic of China. The application of the People's Republic of China was then opened in the presence of the representative of the applicant. Mr. Chen Bingxin, head of the Chinese delegation, introduced the application, which the Group proceeded to examine immediately. The Group met each day in morning and afternoon sessions from 10 to 14 December 1990.

1/ Paragraph 4 of the statement on the implementation of resolution II, contained in the annex to document LOS/PCN/L.41/Rev.1.

2/ Paragraph 13 (3) of the statement on the implementation of resolution II, contained in the annex to document LOS/PCN/L.41/Rev.1.

I. BASIC INFORMATION REGARDING THE APPLICATION

A. Identification of the applicant

1. Name of State(s) or certifying State(s):

The People's Republic of China

2. Date of Signature of the Convention by the certifying State or States:

10 December 1982

3. Applicant:

a. Name China Ocean Mineral Resources Research and Development Association (COMRA)

b. Mailing Address 1 Fuxingmenwai Ave.
Beijing 100860, China

c. Telephone Number (01) 867283
Telex Address 22536 NBO CN

d. Name of Designated Representative or Designated Authority Mr. Wang Jianwen

e. Mailing Addresses 1 Fuxingmenwai Ave.
Beijing 100860, China

f. Telex Address 22536 NBO CN

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4. Status of the applicant under resolution II, paragraph (1) (a) (i):

State ☒

State enterprise ☐

Natural or juridical person ☐

5. Certificate of registration as a juridical person (if applicable):

Submitted: Yes ☐ No ☐

Not Applicable: ☒

6. Date of receipt of application: 22 August 1990

B. Data submitted by the applicant

1. Certification of required levels of expenditures

Submitted: Yes ☒ No ☐

2. Assurances of absence or resolution of conflicts concerning overlapping claims

Submitted: Yes ☒ No ☐

3. Co-ordinates of the application area

Submitted: Yes ☒ No ☐

4. Data with respect to both parts of the application area used to estimate commercial value of each part

Submitted: Yes ☒ No ☐

5. Assurances that the application area is located beyond the limits of national jurisdiction of any State

Submitted: Yes ☒ No ☐

/...

6. Assurances of compliance with the provisions of resolution II and the statement of understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1)

Submitted: Yes ☒ No ☐

C. Payment of Fee:

The applicant agrees to make the payment of $US 250,000 as the fee for registration as a pioneer investor and for the allocation of a pioneer area as soon as the applicant is advised by the Preparatory Commission.

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II. EXAMINATION OF THE TECHNICAL DATA AND INFORMATION TO DETERMINE WHETHER BOTH PARTS OF THE APPLICATION AREA ARE OF EQUAL ESTIMATED COMMERCIAL VALUE

A. Proposals

4. The initial presentation identified an area of 300,000 square kilometres that was subdivided into an area of 150,000 square kilometres to be contributed to the Authority as a reserved area, an area of 97,700 square kilometres to be allocated to the applicant as a pioneer area and an area of 52,300 square kilometres identified to be retained by the applicant. The Group made a thorough analysis of the proposal and concluded that the areas proposed for the Authority and the applicant were well balanced and of equal estimated commercial value. However, the Group noted that the application was in essence a proposed allocation of areas rather than a presentation of areas whereby the General Committee could make a selection between alternatives.

5. The applicant was asked to make a second proposal that would allow a meaningful choice by the General Committee between an area to be reserved for the Authority and an area to be allocated to the applicant. Accordingly, the applicant provided a second proposal that met the requirements.

B. Data submitted

6. The application of China identifies a total area of 300,000 square kilometres in the Clarion-Clipperton Zone of the Pacific Ocean. In the second proposal, it is divided into four areas: Area A, of 52,300 square kilometres, consists of four sectors; Area B, of 97,700 square kilometres, consists of five sectors; Area C, of 97,700 square kilometres, consists of two sectors; Area S, of 52,300 square kilometres, consists of three sectors, which was identified by the applicant for incorporation into the pioneer area to be allocated to the applicant in accordance with paragraph 13 (3) of LOS/PCN/L.41/Rev.1 of 5 September 1986. Figure 1 shows the disposition of sectors in the areas.

7. The following technical documents were included in the application:

(a) Maps:

(i) Overview map of locations of the application area of China;

(ii) Disposition of sectors in the application area of China;

(iii) Sea-bed topographic maps (5) of the application area of China;

(iv) Maps (5) indicating the distribution of sample locations, grade and abundance of polymetallic nodules in the application area of China.

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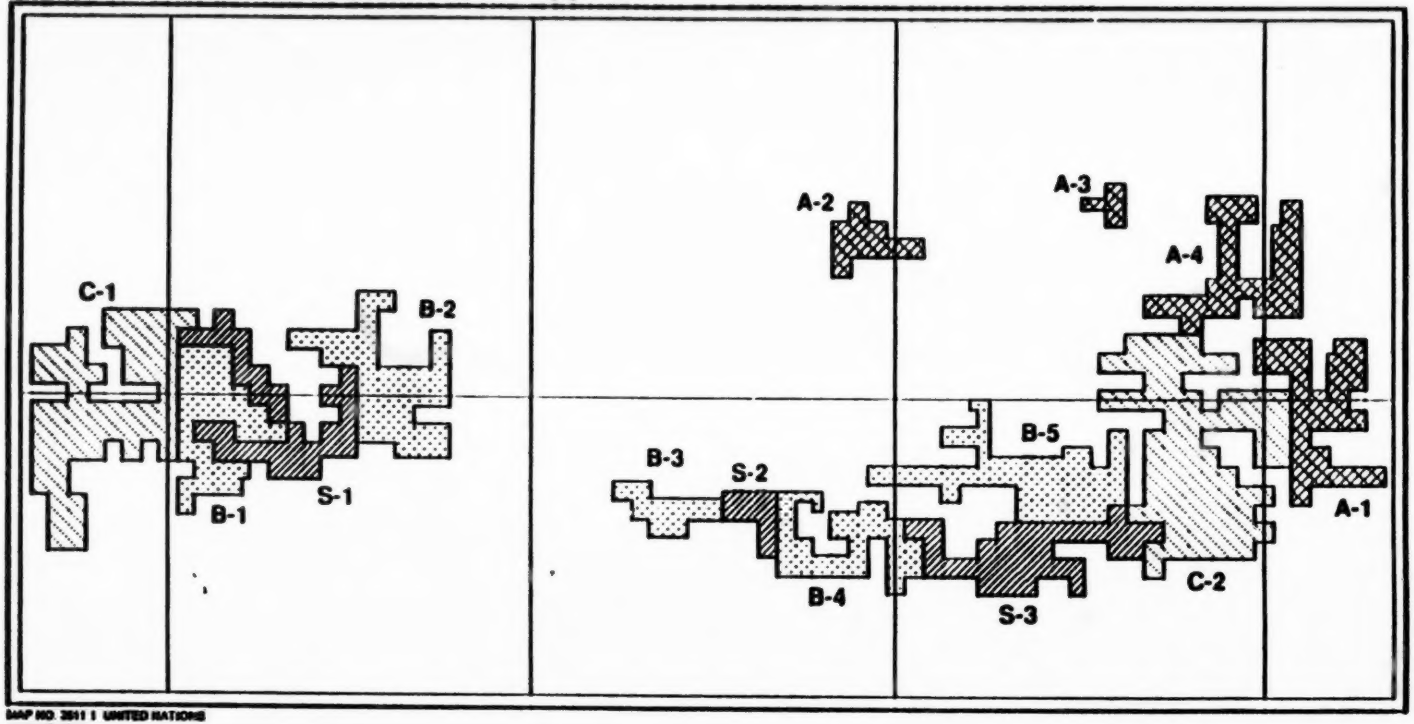
Figure 1. Disposition of Sectors in the Application of China (North Pacific Ocean)


C-1
B-2
B-1
S-1
A-2
A-3
A-4
B-3
S-2
B-5
A-1
B-4
S-3
C-2

MAP NO. 3511 1 UNITED NATIONS
JANUARY 1991

(b) Tables:

Table 1: Co-ordinates of turning-points of the application area of China (12 pages);

Table 2: Statistics of the amount of polymetallic nodule resources in the application area of China (2 pages);

Table 3: Co-ordinates, metal contents and abundance of polymetallic nodules, and water depths of various stations in the application area of China (13 pages);

Table 4: Survey equipment and analytical instruments (2 pages).

8. Additional technical details were given by the applicant in response to questions by the members of the Group of Experts.

9. Additional material was provided by the applicant on the following:

(a) Maps:

Disposition of sectors in the application area of China;

(b) Tables:

Table 5: Statistics of the amounts of polymetallic nodule resources in the application area of China (2 pages);

Table 6: Co-ordinates of turning-points of the application area of China (12 pages).

10. All technical data submitted in the application have been gathered using standard and recognized methods.

C. Methodology

1. General

11. The Group used a number of indicators that have proved useful in assessing equal estimated commercial value. As with previous applications, it was recognized that any approach should be based on the fact that the data reflect the prospecting or exploration stage and that they should be based on a relative comparison of the two areas and not on an assessment of absolute commercial potential or the economic feasibility of commercial operations in the areas.

12. The most important factors were considered to be the metal content, nodule abundance and bathymetry. Because the complex relationship between these factors makes it impossible to make a comparative assessment on the basis of one single composite indicator, several indicators were used in order to ensure comprehensive

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consideration of the variety of factors that might now, or in the foreseeable future, have a major effect on the relative commercial values of the two areas.

13. As with previous applications, the Group, comprising experts in various disciplines, adopted a set of criteria and an approach that centred essentially on technical aspects.

14. Taking into account the relevant provisions contained in resolution II regarding mapping, sampling, abundance of nodules and their metal content, the Group used its established procedure for a thorough examination of every factor mentioned above.

15. In order to accomplish this task, the Group divided itself into five teams, as follows: the first carried out a comprehensive study of nickel; the second, manganese; the third, cobalt; the fourth, the abundance and tonnage of nodules; and the fifth, an examination of the sea-bed topography.

2. Metal content

16. The Group evaluated the relative amounts of nickel, cobalt and manganese metal contained in the nodules from each area. The basic information used to make this comparison was developed by calculating the metal accumulation, taken as the per cent metal times the nodule abundance at each of some 400 stations. These values, together with per cent metal, were plotted on charts in order to evaluate the relative distribution and trends in various areas. This procedure was carried out for each individual metal and used to determine whether one or the other area contained either larger areas of higher grade nodules and/or greater quantity of contained metals.

17. An additional analysis was made of the cumulative frequency distribution of the metal accumulations in Areas A, B, C and S. This was done in order to assess possible differences that might not be reflected in the data on the mean value of metals in the areas.

3. Abundance

18. The data on abundance given for each station were used to verify the average abundance and the tonnage of nodules as well as their range of variation at 95 per cent confidence level in all the individual sectors. The cumulative frequency distribution was determined for each sector and combined for the different areas to assess possible differences.

4. Bathymetry and geomorphology

19. The examination of geomorphological and tectonic features of the application area was carried out by checking and comparing all topographical maps and information provided by the applicant. The nature of the data available at this

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stage of prospecting and on a scale of 1:1,000,000 allows only a regional comparison of the areas. The regional comparison was carried out on the basis of data and information on the water depth, geomorphology and structural alignment. The evaluation also focused on geomorphological features such as slope angles, general geomorphology of the sea-bottom and the frequency and distribution of recognizable geomorphological features. The relief and bathymetric features that might affect exploration and exploitation were also considered. The process recognizes the relative nature of the comparisons since the data and information are taken from a general bathymetric chart of the applicant.

D. Results of the evaluation

1. Adequacy of data

20. The Group reviewed the type, frequency and spatial distribution of the data and concluded that they were adequate for developing information that could be used to assess two areas of equal estimated commercial value. The data are also adequate to show that the areas have similar technical characteristics which make them worthy of further exploration in order to delineate possible mine sites.

21. The Group agreed that the areas are distributed such that the hydrological and meteorological conditions of the two areas may be considered similar.

2. Metal content

22. The Group carried out an evaluation of nickel, cobalt and manganese in the areas. It was decided not to develop separate information on copper in view of the well-established relationship between copper and nickel that allows the characteristics of copper to be closely approximated by the analysis of nickel.

23. Nickel. In the case of nickel, an evaluation of the mean values of nickel and nickel accumulations and their statistical distributions in Areas B and C revealed Area C to be marginally better than Area B. Further evaluation also suggested that the combination of Areas S and B was very similar to the combination of Areas C and A in terms of nickel grades as well as nickel accumulations. In contrast, the combination of Areas S and C represented a slightly higher value than the combination of Areas A and B.

24. Manganese. Manganese was considered with respect to per cent metal content as well as accumulations in terms of statistical as well as spatial distributions. The analysis of data led to the conclusions identical to those obtained for nickel.

25. Cobalt. The spatial distribution of cobalt accumulation was found to be more consistent in the western part of the application area than in the eastern part. The statistical distribution of cobalt values suggested that Areas B and C were very similar to each other. Further, the combination of Areas S and B has cobalt values similar to the combination of Areas A and C.

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3. Abundance and tonnage

26. The results of the calculation of both abundance and tonnage correspond with the information given in the application and with the additional information provided by the applicant. They suggested that Areas (S and B) and (A and C) are similar as far as those indicators are concerned. This was confirmed by the fact that cumulative distribution of abundance in the two areas shows statistical similarity.

4. Bathymetry and geomorphology

27. The bathymetric and geomorphological analyses of the areas have revealed that in general the bathymetry and geomorphology are comparable in the different sectors of the application area. The sea-bottom in the application area is slightly hilly and characterized by irregularly distributed seamounts. In general, the slopes of these seamounts do not exceed 4 degrees, except for some structures in the western part of the application area, where slopes may reach 10 degrees or more.

28. The general directions of the first- and second-order structures are mainly ENE-WSW and NE-SW. E-W structures in the western part and NNW-SSE structures in the central part are additional features. In the eastern part, a plateau-like complex with some small basins prevails. The frequency of the seamounts is slightly higher in the western part of the application area.

29. The group concluded that, when all factors are considered, the sea-bottom topography in different sectors of the application areas is essentially similar.

30. Water depth in the western part is generally greater than in the eastern part by approximately 10 per cent.

E. Selection of areas

31. In the light of the evaluations made above, the Group proceeded to consider the selection of one of the two Areas B or C to be incorporated into the area to be allocated to the applicant and into the area to be reserved for the Authority. It was concluded that the combination of Areas B with S and the combination of Areas C with A are of equal commercial value. Each of these combinations will make an area of 150,000 square kilometres.

32. The co-ordinates of Areas (S and B) and (A and C) have been determined by the Group of Technical Experts and are contained in a sealed envelope deposited with the Secretary-General of the United Nations. Figure 2 shows the proposed disposition of areas.

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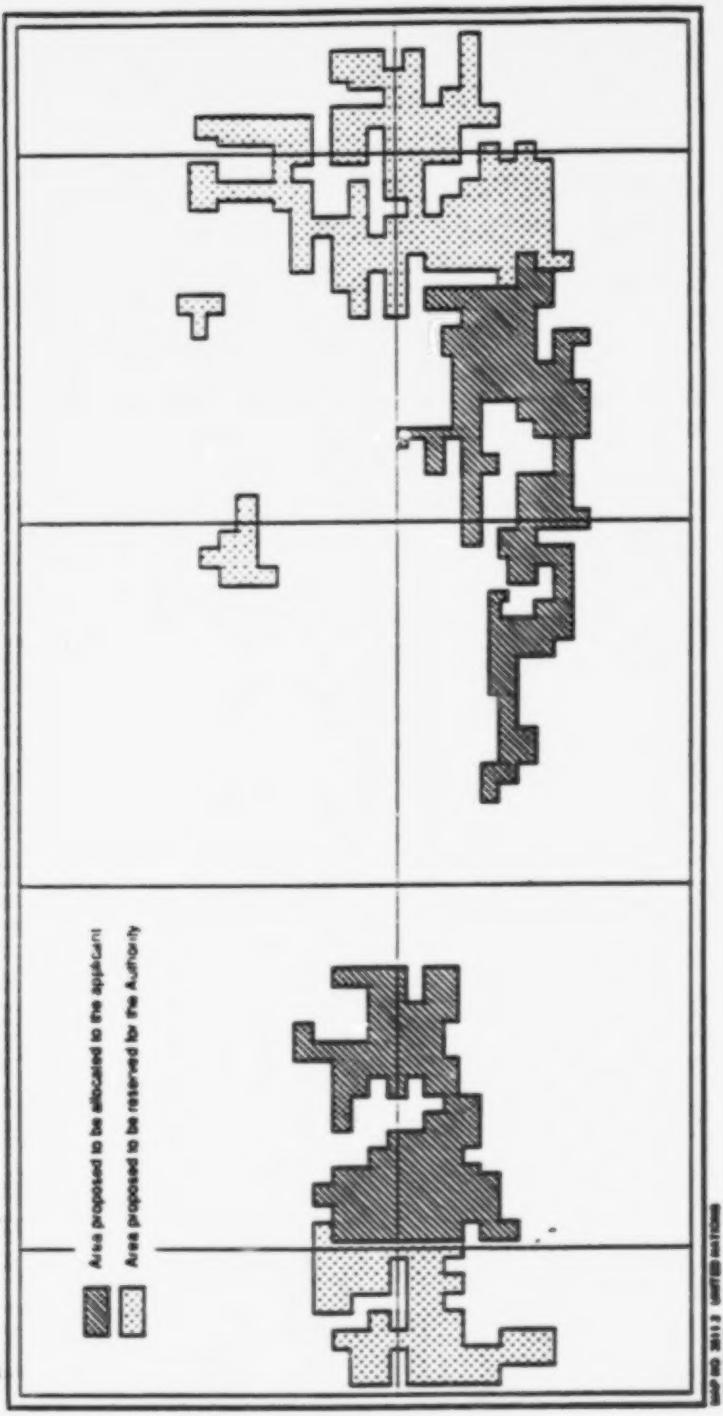
▨ Area proposed to be allocated to the applicant
░ Area proposed to be reserved for the Authority

Figure 2. Disposition of Areas in the Application of China (North Pacific Ocean)

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III. CONCLUSIONS

33. The following conclusions were reached unanimously by the Group.

(a) Having examined the particulars submitted by the applicant, which are summarized in part I of the present report, the Group has concluded that the application has been submitted in accordance with resolution II and the understanding contained in document LOS/PCN/L.41/Rev.1.

(b) Having evaluated the technical data and information submitted by the applicant as referred to in part II of the present report, the Group determined that Areas (S and B) and (A and C) are of equal estimated commercial value.

(c) As regards the designation of the reserved area and the allocation of the pioneer area, the Group agreed to recommend for the consideration of the General Committee:

(i) That Area (A and C) should be designated as the area to be reserved for the Authority;

(ii) That Area (S and B), which includes an Area S of 52,300 square kilometres identified by the applicant, should be designated as the pioneer area to be allocated to the applicant.

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Annex I

LIST OF MEMBERS OF THE GROUP OF TECHNICAL EXPERTS

1. Dr. Alfredo José da Silva Netto
   Praia do Flamengo 60 - Apto. 901
   Rio de Janeiro, RJ
   Brazil

2. Dr. Igor Sergeevich Gramberg
   Director, All-Union Research
   Institute of Geology and Mineral Resources of the World's Ocean
   (VNII Okeanogeologiya)
   Ministry of Geology of the USSR
   Moscow, USSR

3. Dr. Knut S. Heier
   Managing Director
   Geological Survey of Norway
   Leiv Eirikssons vei 39
   PO Box 3006 Lade
   N-7040 Trondheim
   Norway

4. Mr. Takeshi Izumi
   Project Manager of JICA Expert Team
   Metal Working and Machinery Industries Development Institute
   Soi Trimit Kluaynamthai Rama 4 Rd.
   Phrakanong, Bangkok 10110
   Thailand

5. Mr. Hicuunga H. E. Kambaila
   Chief Inspector of Mines
   Mines Safety Department
   P.O. Box 21006
   Kitwe, Zambia

6. Mr. Naphtali Ndiritu Kamundia
   Geologist, Government of Kenya
   P.O. Box 30009
   Nairobi, Kenya

7. M. Jean-Pierre Lenoble
   Institut français de recherche pour l'exploitation de la mer (IFREMER)
   155 rue Jean-Jacques Rousseau
   92138 Issy les Moulineaux Cedex
   France

/...

8. Dr. Alfonso López-Reina
Director de Investigaciones Cientificas de la Universidad Militar de Colombia
Carrera, 11, No. 101-80
Bogotá, Colombia

9. Mr. Sulaiman Zuhdi Pane
Pimpinan Umum Daerah (Area General Manager)
Pertamina, Sumatera Selatan
Plaju, 30268
Indonesia

10. Mr. David W. Pasho
Director, Ocean Mining Division
Mineral Policy Sector
Department of Energy, Mines and Resources
460 O'Connor Street, 11th floor
Ottawa, Canada

11. Ing. Luis G. Preval Paez
Principal Engineer for the Nickel Industry
Ministry of Basic Industry
Avenida Salvador Allende 666
Havana 3, Cuba

12. Dr. Bodo Schirmer
Bundesanstalt für Geowissenschaften und Rohstoffe
Invalidenstr. 44
0-1040 Berlin
Germany

13. Dr. T. R. P. Singh
Deputy General Manager
Engineers India Ltd.
R.K. Puram
New Delhi 110066
India

14. Mr. Samuel Sona Betah
Director of Geology
Ministry of Mines and Power
Yaounde, Cameroon

15. Dr. Zhang Bingxi
Director, Higher Advisory Centre for Science and Technology
Ministry of Geology and Mineral Resources
No. 64, Funeidajie
Xisi, Beijing
China

/...

REPORT OF THE GROUP OF TECHNICAL EXPERTS TO THE GENERAL COMMITTEE OF THE PREPARATORY COMMISSION FOR THE INTERNATIONAL SEA-BED AUTHORITY AND FOR THE INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA ON THE APPLICATION OF THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA FOR REGISTRATION AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

Corrigendum

Page 6, paragraph 4

For the existing text substitute

4. Status of the applicant under resolution II, paragraph (1) (a) (iii):

State ☐

State enterprise ☒

Natural or juridical person ☐

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* Originally issued under the symbol LOS/PCN/BUR/R.7/Corr.1.

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C. DECISION ADOPTED ON 5 MARCH 1991 BY THE GENERAL COMMITTEE OF THE PREPARATORY COMMISSION FOR THE INTERNATIONAL SEA-BED AUTHORITY AND FOR THE INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA ON THE APPLICATION SUBMITTED BY THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA FOR REGISTRATION OF THE CHINA OCEAN MINERAL RESOURCES RESEARCH AND DEVELOPMENT ASSOCIATION AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

1. Pursuant to resolution II of the Third United Nations Conference on the Law of the Sea and the statement on the implementation of resolution II of the Preparatory Commission of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex), the General Committee, in accordance with rule 14, paragraph 3, of the rules of procedure of the Preparatory Commission, has considered the application submitted by the Government of the People's Republic of China for registration of the China Ocean Mineral Resources Research and Development Association as a pioneer investor under resolution II of the Third United Nations Conference on the Law of the Sea. The General Committee had before it a report of the Group of Technical Experts (LOS/PCN/BUR/R.7) established by the Preparatory Commission to examine the application. In addition, the applicant had released for the consideration of the General Committee the formal part of its application (LOS/PCN/BUR/INF/R.9).

2. The General Committee noted that, in accordance with paragraph 4 of the statement of understanding of 5 September 1986 (document LOS/PCN/L.41/Rev.1, annex), the Group of Technical Experts had determined that the application of the Government of the People's Republic of China was in conformity with resolution II, in particular with the principle of equal estimated commercial value, subject to the guidelines and procedures set forth in the above-mentioned statement of understanding.

3. The General Committee has also noted that in the application submitted by the Government of the People's Republic of China, the following declarations have been made:

> "The People's Republic of China signed the United Nations Convention on the Law of the Sea on 10 December 1982."
>
> "The application area is a part of the international sea-bed area as defined in article I, paragraph 1, of the United Nations Convention on the Law of the Sea and is beyond the limits of national jurisdiction of any State. The Government of the People's Republic of China shall ensure that the pioneer activities are conducted in a manner compatible with the United Nations Convention on the Law of the Sea."

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* Originally issued under the symbol LOS/PCN/117.

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"The People's Republic of China as a certifying State ensures that the areas in respect of which application is made do not overlap with pioneer areas and reserved areas already delineated or with those claimed by the pioneer investors referred to in paragraph 1 (a) (ii) of resolution II of the Third United Nations Conference on the Law of the Sea. China has taken steps to make sure that the application area does not overlap with the areas claimed by the already known potential pioneer investors."

"The People's Republic of China as a certifying State states that the China Ocean Mineral Resources Research and Development Association (COMRA) agrees to make the payment of $US 250,000 as the fee for registration as a pioneer investor and for the allocation of a pioneer area as soon as the applicant is advised by the Preparatory Commission."

"The applicant undertakes to comply with the provisions of resolution II of the Third United Nations Conference on the Law of the Sea, including paragraph 12. It will also conduct its pioneer activities in accordance with the relevant provisions of resolution II and with the principles relating to the preservation of the marine environment as set out in the United Nations Convention on the Law of the Sea."

4. The General Committee, having considered the application of the People's Republic of China, taking into account the report submitted by the Group of Technical Experts, has noted with appreciation the conclusions reached by the Group of Technical Experts:

(a) That the application submitted by the People's Republic of China on behalf of the China Ocean Mineral Resources Research and Development Association has been submitted in accordance with resolution II and the understanding contained in document LOS/PCN/L.41/Rev.1;

(b) That areas (S and B) and (A and C) in the application submitted by the People's Republic of China on behalf of the China Ocean Mineral Resources Research and Development Association are of equal estimated commercial value.

5. The Committee further notes that the list of co-ordinates of areas (S and B) and (A and C) has been deposited with the Secretary-General.

6. Accordingly, the General Committee, taking into account the readiness of the applicant and the certifying State to comply with their obligations under resolution II and the above-mentioned statement of understanding,

DECIDES:

(a) To designate area A, referred to above as area (A and C), as the part of the application area which is to be reserved for the conduct of activities by the Authority in the Area through the Enterprise or in association with developing States;

/...

(b) To allocate area B, referred to above as area (S and B), as a pioneer area to the applicant, the China Ocean Mineral Resources Research and Development Association;

(c) To annex the co-ordinates of areas A and B hereto;

(d) That a certificate of registration shall be issued to the applicant.

7. The certificate of registration of the application submitted by the Government of the People's Republic of China on behalf of the China Ocean Mineral Resources Research and Development Association shall record:

(a) The identity of the applicant and of the certifying State;

(b) The date of signature of the Convention by the certifying State;

(c) The date of receipt of the application;

(d) The date of the decision for registration as a pioneer investor;

(e) The date of registration as a pioneer investor;

(f) The precise geographical co-ordinates of the area allocated to the applicant as a pioneer area;

(g) The exclusive right of the pioneer investor to carry out pioneer activities in the pioneer area allocated to it under resolution II of the Third United Nations Conference on the Law of the Sea;

(h) The requirements of compliance by the pioneer investor with its obligations under resolution II and the above-mentioned statement of understanding;

(i) The requirements of compliance by the certifying State with its commitments under resolution II.

8. The General Committee

REQUESTS the Secretary-General of the United Nations:

(a) To inform all participants of the Preparatory Commission of this decision;

(b) To give due publicity to the co-ordinates of areas A and B;

(c) To maintain a register for the purpose of registering the pioneer investor and to record the reserved area;

(d) To advise the applicant of the administrative arrangements necessary for the payment of fee and to prepare and issue to the applicant a certificate of registration.

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Annex

CO-ORDINATES OF THE TURNING POINTS OF AREAS A AND B REFERRED TO IN PARAGRAPH 6(a) AND (b) OF THIS DECISION

(These co-ordinates previously constituted annex II to the report of the Group of Technical Experts (LOS/PCN/BUR/R.7).)

1. Area A, designated as the reserved area for conduct of activities by the Authority in the Area through the Enterprise or in association with developing States, is bounded by lines joining the following turning points, the co-ordinates of which are listed below:

TURNING POINTS	LATTITUDE (N)	LONGITUDE (W)
A1-1	10°37.50'	156°52.50'
A1-2	10°37.50'	156°22.50'
A1-3	10°52.50'	156°22.50'
A1-4	10°52.50'	156°07.50'
A1-5	10°22.50'	156°07.50'
A1-6	10°22.50'	155°52.50'
A1-7	10°07.50'	155°52.50'
A1-8	10°07.50'	156°07.50'
A1-9	09°52.50'	156°07.50'
A1-10	09°52.50'	155°07.50'
A1-11	10°07.50'	155°07.50'
A1-12	10°07.50'	155°37.50'
A1-13	10°37.50'	155°37.50'
A1-14	10°37.50'	155°52.50'
A1-15	11°07.50'	155°52.50'
A1-16	11°07.50'	154°37.50'
A1-17	10°52.50	154°37.50'
A1-18	10°52.50'	154°52.50'
A1-19	09°07.50'	154°52.50'
A1-20	09°07.50'	155°07.50'
A1-21	09°22.50'	155°07.50'
A1-22	09°22.50'	155°22.50'
A1-23	09°07.50'	155°22.50'
A1-24	09°07.50'	155°37.50'
A1-25	09°22.50'	155°37.50'
A1-26	09°22.50'	155°52.50'
A1-27	09°07.50'	155°52.50'
A1-28	09°07.50'	156°22.50'
A1-29	08°37.50'	156°22.50'
A1-30	08°37.50'	156°07.50'
A1-31	07°52.50'	156°07.50'
A1-32	07°52.50'	156°37.50'
A1-33	08°37.50'	156°37.50'
A1-34	08°37.50'	156°52.50'

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TURNING POINTS	LATITUDE (N)	LONGITUDE (W)
A1-35	09°52.50'	156°52.50'
A1-36	09°52.50'	156°22.50'
A1-37	10°07.50'	156°22.50'
A1-38	10°07.50'	156°52.50'
A1-1	10°37.50'	156°52.50'
A2-1	12°22.50'	145°52.50'
A2-2	12°22.50	145°37.50'
A2-3	12°37.50'	145°37.50'
A2-4	12°37.50'	145°22.50'
A2-5	12°22.50'	145°22.50'
A2-6	12°22.50'	145°07.50'
A2-7	12°07.50'	145°07.50'
A2-8	12°07.50'	144°37.50'
A2-9	11°52.50'	144°37.50'
A2-10	11°52.50'	145°37.50'
A2-11	11°37.50'	145°37.50'
A2-12	11°37.50'	145°52.50'
A2-1	12°22.50'	145°52.50'
A3-1	12°42.50'	142°30.00'
A3-2	12°42.50'	142°10.00'
A3-3	12°52.50'	142°10.00'
A3-4	12°52.50'	141°55.00'
A3-5	12°19.00'	141°55.00'
A3-6	12°19.00'	142°10.00'
A3-7	12°32.50'	142°10.00'
A3-8	12°32.50'	142°30.00'
A3-1	12°42.50'	142°30.00'
A4-1	12°44.00'	140°46.00'
A4-2	12°44.00'	140°06.00'
A4-3	12°22.50'	140°06.00'
A4-4	12°22.50'	140°22.50'
A4-5	11°37.50'	140°22.50'
A4-6	11°37.50'	139°52.50'
A4-7	12°21.00'	139°52.50'
A4-8	12°21.00'	139°46.00'
A4-9	12°39.87'	139°46.00'
A4-10	12°39.87'	139°30.00'
A4-11	11°07.50'	139°30.00'
A4-12	11°07.50'	140°07.50'
A4-13	11°22.50'	140°07.50'
A4-14	11°22.50'	140°22.50'
A4-15	11°07.50'	140°22.50'

/...

TURNING POINTS	LATITUDE (N)	LONGITUDE (W)
A4-16	11°07.50'	140°52.50'
A4-17	10°37.50'	140°52.50'
A4-18	10°37.50'	140°22.50'
A4-19	10°22.50'	140°22.50'
A4-20	10°22.50'	141°07.50'
A4-21	10°07.50'	141°07.50'
A4-22	10°07.50'	140°52.50'
A4-23	09°52.50'	140°52.50'
A4-24	09°52.50'	140°37.50'
A4-25	10°07.50'	140°37.50'
A4-26	10°07.50'	139°37.50'
A4-27	10°22.50'	139°37.50'
A4-28	10°22.50'	140°07.50'
A4-29	10°50.00'	140°07.50'
A4-30	10°50.00'	139°22.50'
A4-31	10°07.50'	139°22.50'
A4-32	10°07.50'	139°07.50'
A4-33	10°37.50'	139°07.50'
A4-34	10°37.50'	139°01.58'
A4-35	10°50.00'	139°01.58'
A4-36	10°50.00'	138°37.50'
A4-37	10°07.50'	138°37.50'
A4-38	10°07.50'	138°52.50'
A4-39	09°52.50'	138°52.50'
A4-40	09°52.50'	138°37.50'
A4-41	09°37.50'	138°37.50'
A4-42	09°37.50'	139°22.50'
A4-43	09°22.50'	139°22.50'
A4-44	09°22.50'	139°07.50'
A4-45	09°07.50'	139°07.50'
A4-46	09°07.50'	138°22.50'
A4-47	08°52.50'	138°22.50'
A4-48	08°52.50'	139°22.50'
A4-49	08°37.50'	139°22.50'
A4-50	08°37.50'	139°37.50'
A4-51	09°07.50'	139°37.50'
A4-52	09°07.50'	140°07.50'
A4-53	09°37.50'	140°07.50'
A4-54	09°37.50'	140°52.50'
A4-55	09°22.50'	140°52.50'
A4-56	09°22.50'	140°37.50'
A4-57	09°07.50'	140°37.50'
A4-58	09°07.50'	140°22.50'
A4-59	08°52.50'	140°22.50'
A4-60	08°52.50'	139°52.50'
A4-61	08°37.50'	139°52.50'
A4-62	08°37.50'	140°07.50'
A4-63	08°22.50'	140°07.50'
A4-64	08°22.50'	139°52.50'
A4-65	08°07.50'	139°52.50'
A4-66	08°07.50'	140°07.50'

/...

TURNING POINTS	LATTITUDE (N)	LONGITUDE (W)
A4-67	07°52.50'	140°07.50'
A4-68	07°52.50'	141°22.50'
A4-69	07°37.50'	141°22.50'
A4-70	07°37.50'	141°37.50'
A4-71	08°07.50'	141°37.50'
A4-72	08°07.50'	141°22.50'
A4-73	08°22.50'	141°22.50'
A4-74	08°22.50'	141°52.50'
A4-75	08°37.50'	141°52.50'
A4-76	08°37.50'	141°37.50'
A4-77	09°37.50'	141°37.50'
A4-78	09°37.50'	141°22.50'
A4-79	09°52.50'	141°22.50'
A4-80	09°52.50'	142°15.00'
A4-81	10°07.50'	142°15.00'
A4-82	10°07.50'	141°37.50'
A4-83	10°22.50'	141°37.50'
A4-84	10°22.50'	142°15.00'
A4-85	10°37.50'	142°15.00'
A4-86	10°37.50'	141°52.50'
A4-87	10°52.50'	141°52.50'
A4-88	10°52.50'	141°07.50'
A4-89	11°07.50'	141°07.50'
A4-90	11°07.50'	141°37.50'
A4-91	11°25.00'	141°37.50'
A4-92	11°25.00'	140°46.00'
A4-93	11°37.50'	140°46.00'
A4-94	11°37.50'	140°37.50'
A4-95	12°22.50'	140°37.50'
A4-96	12°22.50'	140°46.00'
A4-1	12°44.00'	140°46.00'.

/...

2. Area B, allocated as a pioneer area to the applicant, "China Ocean Mineral Resources Research and Development Association" (COMRA), is bounded by lines joining the following points, the co-ordinates of which are listed below:

TURNING POINTS	LATTITUDE (N)	LONGITUDE (W)
B1-1	10°52.50'	154°52.50'
B1-2	10°52.50'	154°22.50'
B1-3	11°07.50'	154°22.50'
B1-4	11°07.50'	154°07.50'
B1-5	10°52.50'	154°07.50'
B1-6	10°52.50'	153°52.50'
B1-7	10°22.50'	153°52.50'
B1-8	10°22.50'	153°37.50'
B1-9	10°07.50'	153°37.50'
B1-10	10°07.50'	153°22.50'
B1-11	09°37.50'	153°22.50'
B1-12	09°37.50'	153°07.50'
B1-13	09°22.50'	153°07.50'
B1-14	09°22.50'	152°52.50'
B1-15	09°37.50'	152°52.50'
B1-16	09°37.50'	152°37.50'
B1-17	09°52.50'	152°37.50'
B1-18	09°52.50'	152°54.83'
B1-19	10°07.50'	152°54.83'
B1-20	10°07.50'	152°37.50'
B1-21	10°22.50'	152°37.50'
B1-22	10°22.50'	152°52.50'
B1-23	10°37.50'	152°52.50'
B1-24	10°37.50'	153°22.50'
B1-25	10°52.50'	153°22.50'
B1-26	10°52.50'	152°22.50'
B1-27	11°22.50'	152°22.50'
B1-28	11°22.50'	151°52.50'
B1-29	11°07.50'	151°52.50'
B1-30	11°07.50'	152°07.50'
B1-31	10°22.50'	152°07.50'
B1-32	10°22.50'	151°22.50'
B1-33	10°52.50'	151°22.50'
B1-34	10°52.50'	151°07.50'
B1-35	09°52.50'	151°07.50'
B1-36	09°52.50'	151°37.50'
B1-37	09°37.50'	151°37.50'
B1-38	09°37.50'	151°07.50'
B1-39	09°10.00'	151°07.50'
B1-40	09°10.00'	151°52.50'
B1-41	09°22.50'	151°52.50'
B1-42	09°22.50'	152°22.50'
B1-43	09°10.00'	152°22.50'
B1-44	09°10.00'	152°55.20'
B1-45	08°52.50'	152°55.20'
B1-46	08°52.50'	153°37.50'
B1-47	09°07.50'	153°37.50'
B1-48	09°07.50'	153°52.50'
B1-49	08°52.50'	153°52.50'

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TURNING POINTS	LATTITUDE (N)	LONGITUDE (W)
B1-50	08°52.50'	154°00.00'
B1-51	08°37.50'	154°00.00'
B1-52	08°37.50'	154°37.50'
B1-53	08°22.50'	154°37.50'
B1-54	08°22.50'	154°52.50'
B1-55	08°52.50'	154°52.50'
B1-56	08°52.50'	154°37.50'
B1-57	09°07.50'	154°37.50'
B1-58	09°07.50'	154°52.50'
B1-1	10°52.50'	154°52.50'
B2-1	08°52.50'	148°52.50'
B2-2	08°52.50'	148°22.50'
B2-3	08°37.50'	148°22.50'
B2-4	08°37.50'	147°22.50'
B2-5	08°45.00'	147°22.50'
B2-6	08°45.00'	146°00.00'
B2-7	08°30.00'	146°00.00'
B2-8	08°30.00'	146°07.50'
B2-9	08°37.50'	146°07.50'
B2-10	08°37.50'	146°22.50'
B2-11	08°07.50'	146°22.50'
B2-12	08°07.50'	146°07.50'
B2-13	07°52.50'	146°07.50'
B2-14	07°52.50'	145°37.50'
B2-15	08°07.50'	145°37.50'
B2-16	08°07.50'	145°52.50'
B2-17	08°30.00'	145°52.50'
B2-18	08°30.00'	145°30.00'
B2-19	08°37.50'	145°30.00'
B2-20	08°37.50'	145°07.50'
B2-21	08°22.50'	145°07.50'
B2-22	08°22.50'	144°22.50'
B2-23	07°52.50'	144°22.50'
B2-24	07°52.50'	143°52.50'
B2-25	08°07.50'	143°52.50'
B2-26	08°07.50'	143°37.50'
B2-27	08°22.50'	143°37.50'
B2-28	08°22.50'	143°22.50'
B2-29	08°52.50'	143°22.50'
B2-30	08°52.50'	144°07.50'
B2-31	08°37.50'	144°07.50'
B2-32	08°37.50'	144°22.50'
B2-33	08°52.50'	144°22.50'
B2-34	08°52.50'	145°21.95'
B2-35	09°07.50'	145°21.95'
B2-36	09°07.50'	143°52.50'
B2-37	09°22.50'	143°52.50'
B2-38	09°22.50'	144°22.50'

TURNING POINTS	LATTITUDE (N)	LONGITUDE (W)
B2-39	09°37.50'	144°22.50'
B2-40	09°37.50'	143°52.50'
B2-41	09°52.50'	143°52.50'
B2-42	09°52.50'	144°00.00'
B2-43	10°00.00'	144°00.00'
B2-44	10°00.00'	143°45.00'
B2-45	09°15.00'	143°45.00'
B2-46	09°15.00'	142°45.00'
B2-47	09°22.50'	142°45.00'
B2-48	09°22.50'	142°22.50'
B2-49	09°07.50'	142°22.50'
B2-50	09°07.50'	142°07.50'
B2-51	09°37.50'	142°07.50'
B2-52	09°37.50'	141°52.50'
B2-53	08°22.50'	141°52.50'
B2-54	08°22.50'	141°22.50'
B2-55	08°07.50'	141°22.50'
B2-56	08°07.50'	141°37.50'
B2-57	07°52.50'	141°37.50'
B2-58	07°52.50'	142°07.50'
B2-59	08°07.50'	142°07.50'
B2-60	08°07.50'	142°52.50'
B2-61	07°52.50'	142°52.50'
B2-62	07°52.50'	142°27.83'
B2-63	07°22.50'	142°27.83'
B2-64	07°22.50'	142°37.50'
B2-65	07°37.50'	142°37.50'
B2-66	07°37.50'	143°07.50'
B2-67	07°22.50'	143°07.50'
B2-68	07°22.50'	143°52.50'
B2-69	07°37.50'	143°52.50'
B2-70	07°37.50'	144°52.50'
B2-71	07°22.50'	144°52.50'
B2-72	07°22.50'	145°07.50'
B2-73	08°07.50'	145°07.50'
B2-74	08°07.50'	145°22.50'
B2-75	07°37.50'	145°22.50'
B2-76	07°37.50'	146°37.50'
B2-77	07°52.50'	146°37.50'
B2-78	07°52.50'	146°52.50'
B2-79	08°22.50'	146°52.50'
B2-80	08°22.50'	147°52.50'
B2-81	08°07.50'	147°52.50'
B2-82	08°07.50'	148°22.50'
B2-83	08°22.50'	148°22.50'
B2-84	08°22.50'	148°37.50'
B2-85	08°37.50'	148°37.50'
B2-86	08°37.50'	148°52.50'
B2-1	08°52.50'	148°52.50'

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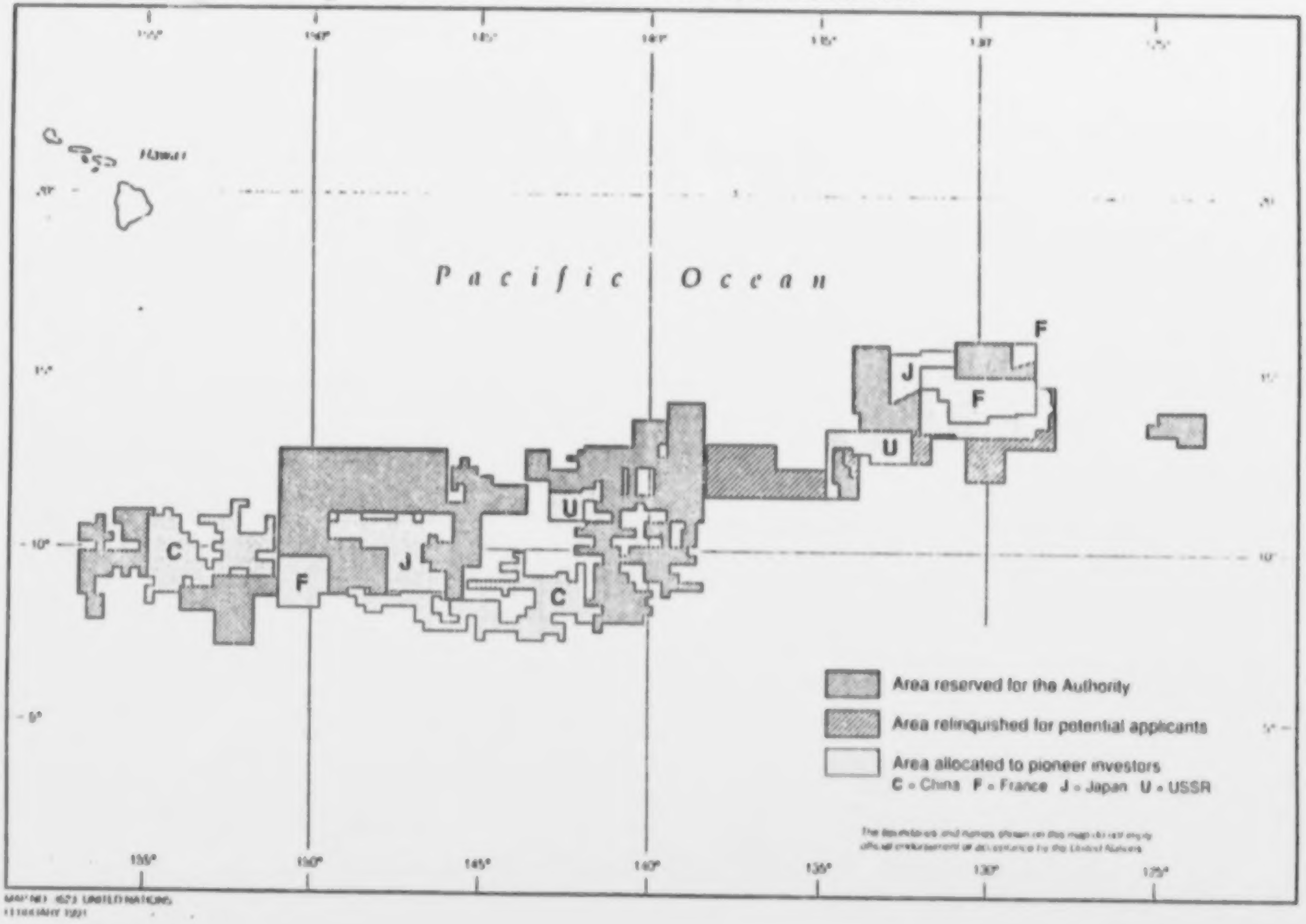
D. CHART ILLUSTRATING THE DISPOSITION OF AREAS FOLLOWING THE DECISION ADOPTED ON 5 MARCH 1991 BY THE GENERAL COMMITTEE OF THE PREPARATORY COMMISSION ON THE APPLICATION SUBMITTED BY THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA FOR REGISTRATION OF THE CHINA OCEAN MINERAL RESOURCES RESEARCH AND DEVELOPMENT ASSOCIATION AS A PIONEER INVESTOR*

Sea-Bed Mining Areas Registered with the United Nations as of March 1991


Hawaii
Pacific Ocean
C
F
J
U
C
U
J
F
F
20°
15°
10°
5°
155°
150°
145°
140°
135°
130°
125°
Area reserved for the Authority
Area relinquished for potential applicants
Area allocated to pioneer investors
C = China F = France J = Japan U = USSR

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* Originally issued under the symbol LOS/PCN/BUR/INF/R.10.

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VI. REGISTRATION OF THE GOVERNMENTS OF THE REPUBLIC OF BULGARIA, THE REPUBLIC OF CUBA, THE CZECH AND SLOVAK FEDERAL REPUBLIC, THE REPUBLIC OF POLAND AND THE UNION OF SOVIET SOCIALIST REPUBLICS

A. RECEIPT OF APPLICATION FROM THE GOVERNMENTS OF THE REPUBLIC OF BULGARIA, THE REPUBLIC OF CUBA, THE CZECH AND SLOVAK FEDERAL REPUBLIC, THE REPUBLIC OF POLAND AND THE UNION OF SOVIET SOCIALIST REPUBLICS FOR REGISTRATION OF THE INTEROCEANMETAL JOINT ORGANIZATION AS A PIONEER INVESTOR, UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

Note by the Secretary-General

1. In accordance with the procedures and guidelines for registration of pioneer investors under resolution II of the Third United Nations Conference on the Law of the Sea, as contained in annex II of document LOS/PCN/27 dated 8 September 1983, the Secretary-General wishes to inform the Preparatory Commission that on 8 March 1991 the Special Representative of the Secretary-General for the Law of the Sea received from the Permanent Representative of the Republic of Poland to the United Nations a letter dated 4 March 1991, addressed to the Chairman of the Preparatory Commission, submitting on behalf of the Republic of Bulgaria, the Republic of Cuba, the Czech and Slovak Federal Republic, the Republic of Poland and the Union of Soviet Socialist Republics an application to the Preparatory Commission for the International Sea-bed Authority and for the International Tribunal for the Law of the Sea for registration of the Interoceanmetal Joint Organization as a pioneer investor under the provisions of resolution II. The texts of the covering letter and of the application submitted are annexed hereto.

2. The application was accompanied by three sealed packages said to contain details relating to the application.

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* Originally issued under the symbol LOS/PCN/118.

Annex

Letter dated 4 March 1991 from the Permanent Representative of the Republic of Poland to the United Nations addressed to the Chairman of the Preparatory Commission

Pursuant to resolution II of the Third United Nations Conference on the Law of the Sea and the statement on the implementation of resolution II of the Preparatory Commission of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex) and the statement of understanding on the implementation of resolution II of 10 April 1987 (LOS/PCN/L.43/Rev.1), I have the honour hereby to submit on behalf of the Governments of the Republic of Bulgaria, the Republic of Cuba, the Czech and Slovak Federal Republic, the Republic of Poland and the Union of Soviet Socialist Republics as certifying States, the application to the Preparatory Commission for the International Sea-bed Authority and for the International Tribunal for the Law of the Sea for registration of the Interoceanmetal Joint Organization as a pioneer investor and for the allocation of a pioneer area.

(*Signed*) Stanislaw PAWLAK
Permanent Representative and Ambassador
Extraordinary and Plenipotentiary of the
Republic of Poland to the
United Nations

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APPLICATION OF THE GOVERNMENTS OF THE REPUBLIC OF BULGARIA, THE REPUBLIC OF CUBA, THE CZECH AND SLOVAK FEDERAL REPUBLIC, THE REPUBLIC OF POLAND AND THE UNION OF SOVIET SOCIALIST REPUBLICS FOR REGISTRATION OF THE INTEROCEANMETAL JOINT ORGANIZATION AS A PIONEER INVESTOR

1. The Republic of Poland, acting on behalf of the Republic of Bulgaria, the Republic of Cuba, the Czech and Slovak Federal Republic, the Republic of Poland and the Union of Soviet Socialist Republics, as certifying States, submits the application of the Interoceanmetal Joint Organization for registration as a pioneer investor and for the allocation of a pioneer area.

2. This application is submitted in accordance with resolution II of the Third United Nations Conference on the Law of the Sea and with decisions of the Preparatory Commission for the International Sea-bed Authority and for the International Tribunal for the Law of the Sea, adopted on 5 September 1986 (LOS/PCN/L.41/Rev.1) and on 10 April 1987 (LOS/PCN/L.43/Rev.1).

Applicant:

(a) Name: Interoceanmetal Joint Organization (IOM)

(b) Mailing address: ul. Poludniowa 3
70-001 Szczecin
POLAND

(c) Telephone: 82 41 61

(d) Telex: 422826 iom pl

3. Interoceanmetal Joint Organization (referred to hereinafter as "Interoceanmetal" (IOM)) was founded in 1987 on the basis of an intergovernmental agreement between Bulgaria, Cuba, Czechoslovakia, the former German Democratic Republic, Poland, the Union of Soviet Socialist Republics and Viet Nam. However, in 1990 Viet Nam left the agreement. Due to the unification of the Federal Republic of Germany and the German Democratic Republic, the participation of the former German Democratic Republic in "Interoceanmetal" (IOM) has been suspended. "Interoceanmetal" is now an enterprise efficiently controlled by the Governments of the certifying States.

4. The certifying States ensure that the areas in respect of which the application is made do not overlap with pioneer areas and reserved areas already delineated or with those claimed by the pioneer investors referred to in paragraph 1 (a) (ii) of resolution II of the Third United Nations Conference on the Law of the Sea. The certifying States have taken steps to make sure that the application area does not overlap with the areas claimed by the already known potential pioneer investors.

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5. The application area is a part of the international sea-bed area and is beyond the limits of national jurisdiction of any State.

6. The submitted application area covers a total of 300,000 sq km. The application area is of sufficient estimated commercial value to allow two mining operations.

7. In accordance with the decision of the Preparatory Commission on the implementation of resolution II contained in document LOS/PCN/L.41/Rev.1 of 11 September 1986 the co-ordinates of the following areas are indicated in the submitted application in addition to the general co-ordinates of the application area:

(a) The sectors A1 (83,173 sq km) and A2 (66,827 sq km) totalling 150,000 sq km are to be reserved for the Authority;

(b) The sector B4 (52,300 sq km) should be designated as the pioneer area for incorporation in total area of 150,000 sq km to be allocated to the applicant in accordance with the statement on the implementation of resolution II of the Preparatory Commission of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex), the statement of understanding on the implementation of resolution II of 10 April 1987 (LOS/PCN/L.43/Rev.1), the report of the Group of Technical Experts to the General Committee of the Preparatory Commission for the International Sea-bed Authority and for the International Tribunal for the Law of the Sea on the Government of the Republic of India for registration as a pioneer investor under resolution II of the Third United Nations Conference on the Law of the Sea (LOS/PCN/BUR/R.1) and the decision adopted on 17 August 1987 by the General Committee on the Preparatory Commission for the International Sea-bed Authority and for the International Tribunal for the Law of the Sea on the application of the Government of India as a pioneer investor under resolution II (LOS/PCN/94);

(c) The sector B1 (38,822 sq km), B2, consisting of the subsectors $B2_1$, $B2_2$ and $B2_3$ (31,995 sq km), and B3 (26,883 sq km), totalling 97,700 sq km, are hoped to be allocated to the applicant as a part of the pioneer area of 150,000 sq km.

8. The certifying States signed the United Nations Convention on the Law of the Sea on 10 December 1982.

9. The certificate of the level of expenditure made by "Interoceanmetal" (IOM) as a pioneer investor and its predecessors for the purposes specified in paragraph 1 (a) of resolution II had been circulated as document LOS/PCN/109 of 17 January 1990.

10. The certifying States declare that "Interoceanmetal" (IOM) will make the payment of $US 250,000 as the fee for registration as a pioneer investor and for the allocation of a pioneer area as soon as the applicant is advised by the Preparatory Commission.

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11. In case of registration of "Interoceanmetal" (IOM) as a pioneer investor, "Interoceanmetal" (IOM) undertakes to conduct its pioneer activities in accordance with the provisions of resolution II, as interpreted and applied by the Preparatory Commission, in particular in the understanding of the fulfilment of obligations by the registered pioneer investors and their certifying States (LOS/PCN/L.87).

12. The data and information referred to in paragraph 3 of resolution II and in the annex to document LOS/PCN/27 of 8 September 1983 are attached to this application in a sealed envelope because of their confidential character.

LETTER DATED 27 JUNE 1991 FROM THE DIRECTOR-GENERAL OF THE INTEROCEANMETAL JOINT ORGANIZATION ADDRESSED TO THE SPECIAL REPRESENTATIVE OF THE SECRETARY-GENERAL FOR THE LAW OF THE SEA CONCERNING THE APPLICATION FOR REGISTRATION OF THE INTEROCEANMETAL JOINT ORGANIZATION AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA (LOS/PCN/118)*

In connection with the application for registration of the Interoceanmetal Joint Organization (IOM) as a pioneer investor, I have the honour to submit to you the following clarifications and adjustments:

- Paragraphs 2 and 7: The reference to document LOS/PCN/L.43/Rev.1 should be deleted;
- Paragraph 3: The former German Democratic Republic ceased to be a member of Interoceanmetal;
- Paragraph 7: In addition to the variant submitted in the application of Interoceanmetal we submit for consideration by the Group of Technical Experts two new variants (annexed to the present letter); if necessary, our experts might submit to the Group of Technical Experts additional variants and make any clarification that might be requested by the Group of Technical Experts.

(Signed) Ryszard LABUS
Director-General
Interoceanmetal Joint Organization

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* Originally issued under the symbol LOS/PCN/121.

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Annex

Variant II

Sectors B_4, B_3, B_{10}, A_1, A_2, A_4, A_5, A_6, A_8 and A_9 are hoped to be allocated to the applicant as its pioneer area of 150,000 sq km;

Sectors A_3, A_7, B_1, B_2, B_5, B_6, B_7, B_8, B_9 and B_{11} totalling 150,000 sq km are to be reserved for the Authority.

Variant III

Sectors B_4, B_5, B_9, A_1, A_2, A_4, A_5, A_6, A_8 and A_9 are hoped to be allocated to the applicant as its pioneer area of 150,000 sq km;

Sectors A_3, A_7, B_1, B_2, B_3, B_6, B_7, B_8, B_{10} and B_{11} totalling 150,000 sq km are to be reserved for the Authority.

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B. REPORT OF THE GROUP OF TECHNICAL EXPERTS TO THE GENERAL COMMITTEE OF THE PREPARATORY COMMISSION FOR THE INTERNATIONAL SEA-BED AUTHORITY AND FOR THE INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA ON THE APPLICATION OF THE GOVERNMENTS OF THE REPUBLIC OF BULGARIA, THE REPUBLIC OF CUBA, THE CZECH AND SLOVAK FEDERAL REPUBLIC, THE REPUBLIC OF POLAND AND THE UNION OF SOVIET SOCIALIST REPUBLICS FOR REGISTRATION OF THE INTEROCEANMETAL JOINT ORGANIZATION AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

LETTER OF TRANSMITTAL

5 July 1991

Dear Mr. Chairman,

We, the members of the Group of Technical Experts, appointed by the Chairman of the Preparatory Commission to examine the application from the Governments of the Republic of Bulgaria, the Republic of Cuba, the Czech and Slovak Federal Republic, the Republic of Poland and the Union of Soviet Socialist Republics for registration of the Interoceanmetal Joint Organization as a pioneer investor in accordance with resolution II of the Third United Nations Conference on the Law of the Sea, have the honour to submit the attached report to the General Committee. The Group of Experts has undertaken an examination of the application in accordance with its mandate and the attached report which was unanimously adopted contains the result of this examination.

The meeting was held at United Nations Headquarters in New York. The Group met between 1 and 5 July 1991 during which period the Group held seven sessions.

We regret that two members of the Group, Mr. Knut S. Heier (Norway) and Mr. Naphtali Ndiritu Kamundia (Kenya), were unable to attend the meeting. The Group wishes to express its appreciation for the co-operation of the representatives of the applicant, the Interoceanmetal Joint Organization.

Mr. José Luis Jesus
Chairman of the Preparatory Commission for
the International Sea-bed Authority and
for the International Tribunal for the
Law of the Sea
New York, New York

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* Originally issued under the symbol LOS/PCN/BUR/R.8.

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The Group of Experts would like to thank you and the Preparatory Commission for the opportunity to assist on the matter of registration of the Interoceanmetal Joint Organization. The Group also wishes to draw to your attention the valuable contribution made by the Special Representative of the Secretary-General for the Law of the Sea, Mr. Satya N. Nandan, and the secretariat of the Office for Ocean Affairs and the Law of the Sea in providing assistance throughout the meetings.

Yours sincerely,

(Signed) in New York on 5 July 1991:

Samuel SONA BETAH
(Cameroon)

Alfredo José DA SILVA NETTO
(Brazil)

Igor Sergeevich GRAMBERG
(Union of Soviet Socialist Republics)

Knut S. HEIER
(Norway) (absent)

Hicuunga H. E. KAMBAILA
(Zambia)

Naphtali Ndiritu KAMUNDIA
(Kenya) (absent)

Jean-Pierre LENOBLE
(France)

Alfonso LOPEZ-REINA
(Colombia)

Sulaiman Zuhdi PANE
(Indonesia)

David W. PASHO
(Canada)

Luis G. PREVAL PAEZ
(Cuba)

Toshio SAKASEGAWA
(Japan)

T. R. P. SINGH
(India)

ZHANG Bingxi
(China)

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INTRODUCTION

1. The Group of Technical Experts was established in accordance with the decision taken by the Preparatory Commission for the International Sea-bed Authority and for the International Tribunal for the Law of the Sea which is embodied in paragraph 6 of the statement of understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex). The Group was mandated to determine whether applications for registration as pioneer investors are in conformity with resolution II of the Third United Nations Conference on the Law of the Sea, in particular with the principle of equal estimated commercial value, subject to the guidelines and procedures set forth in the statement of understanding of 5 September 1986, and to submit a report on each application to the General Committee. The Group noted that in case of there being different opinions among its members, such opinions shall be included in the report (LOS/PCN/L.41/Rev.1, annex, para. 4).

2. In accordance with the relevant decision of the Preparatory Commission, the application from the Governments of the Republic of Bulgaria, the Republic of Cuba, the Czech and Slovak Federal Republic, the Republic of Poland and the Union of Soviet Socialist Republics was examined to determine whether it was in conformity with resolution II taking into account that Interoceanmetal Joint Organization (IOM) "like other applicants, if it so wishes, will identify in its application area, an area totalling 52,300 square kilometres for incorporation in the area of up to 150,000 square kilometres to be allocated to it as a pioneer area. The provisions on relinquishment in resolution II, paragraph 1 (e), shall apply to the allocated area." 1/

3. It was noted that in accordance with paragraph 21 of the statement of understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex) "a group of all or several socialist States of Eastern Europe, or a group of State enterprises of such States, shall have the right to apply as pioneer investors in accordance with resolution II for one pioneer area until the United Nations Convention on the Law of the Sea enters into force". The following States - Bulgaria, Byelorussian SSR, Czechoslovakia, German Democratic Republic, Hungary, Poland, Ukrainian SSR and the USSR - were identified as falling within this category (LOS/PCN/L.41/Rev.1, annex, note a, p. 13).

4. The Group of Technical Experts held its initial meeting on the morning of 1 July 1991. The Special Representative of the Secretary-General for the Law of the Sea, Mr. Satya N. Nandan, briefed the Group on its mandate and outlined the specific procedures that would be in effect to ensure the confidentiality of data and information contained in the application from the Governments of the Republic of Bulgaria, the Republic of Cuba, the Czech and Slovak Federal Republic, the Republic of Poland and the Union of Soviet Socialist Republics. The application was then opened in the presence of the representatives of the applicant Mr. Ryszard Labus, Director-General of IOM, and Mr. Arkadij G. Kraev, Deputy Director-General of IOM. The Group met each day in morning and afternoon sessions from 1 to 5 July 1991.

I. BASIC INFORMATION REGARDING THE APPLICATION

A. Identification of the applicant

1. Name of State(s) or certifying State(s):

Republic of Bulgaria

Republic of Cuba

Czech and Slovak Federal Republic

Republic of Poland

Union of Soviet Socialist Republics

2. Date of signature of the Convention by the certifying State or States:

10 December 1982

3. Applicant:

a. Name: Interoceanmetal Joint Organization (IOM)

b. Mailing address: ul. Poludniowa 3
70-001 Szczecin, Poland

c. Telephone number: 82-41-61
Telex address: 422826 iom pl

d. Name of designated representative or designated authority:
Mr. Ryszard Labus

e. Mailing address: ul. Poludniowa 3
70-001 Szczecin, Poland

f. Telex address: 422826 iom pl

4. Status of the applicant:

State ☐

State enterprise ☐

Natural or juridical person ☒

/...

5. Certificate of registration as a juridical person (if applicable)

Submitted: Yes ☒ No ☐

Not applicable ☐

6. Date of receipt of application: 8 March 1991

B. Data submitted by the applicant

1. Certification of required levels of expenditures

Submitted: Yes ☒ No ☐

2. Assurances of absence or resolution of conflicts concerning overlapping claims

Submitted: Yes ☒ No ☐

3. Coordinates of the application area

Submitted: Yes ☒ No ☐

4. Data with respect to both parts of the application area used to estimate commercial value of each part

Submitted: Yes ☒ No ☐

5. Assurances that the application area is located beyond the limits of national jurisdiction of any State

Submitted: Yes ☒ No ☐

6. Assurances of compliance with the provisions of resolution II and the statement of understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex)

Submitted: Yes ☒ No ☐

C. Payment of fee:

The certifying States declare that Interoceanmetal (IOM) will make the payment of $US 250,000 as the fee for registration as a pioneer investor and for the allocation of a pioneer area as soon as the applicant is advised by the Preparatory Commission.

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II. EXAMINATION OF THE TECHNICAL DATA AND INFORMATION TO DETERMINE WHETHER BOTH PARTS OF THE APPLICATION AREA ARE OF EQUAL ESTIMATED COMMERCIAL VALUE

A. Proposals

5. The basic proposal of the applicant identified an area of 300,000 square kilometres (fig. 1) which was subdivided into area A of 150,000 square kilometres to be reserved for the Authority and area B composed of an area of 52,300 square kilometres identified by the applicant to be incorporated into the pioneer area, and an area of 97,700 square kilometres, which the applicant hoped to be allocated to it. The applicant also provided two additional alternatives under variant II and variant III in which the total application area was subdivided into sectors of smaller areas. The sectors in turn were aggregated under two groups, one identified to be reserved for the Authority and the other to be allocated to the applicant including an area of 52,300 square kilometres identified by the applicant. However, the Group noted that the application, including all the variants, was in essence a proposed allocation of areas rather than a presentation of areas whereby the Group could recommend a selection between alternatives.

6. The applicant agreed that the Group could recommend any combination of sectors provided that the area to be allocated to the applicant included the area of 52,300 square kilometres identified by the applicant.

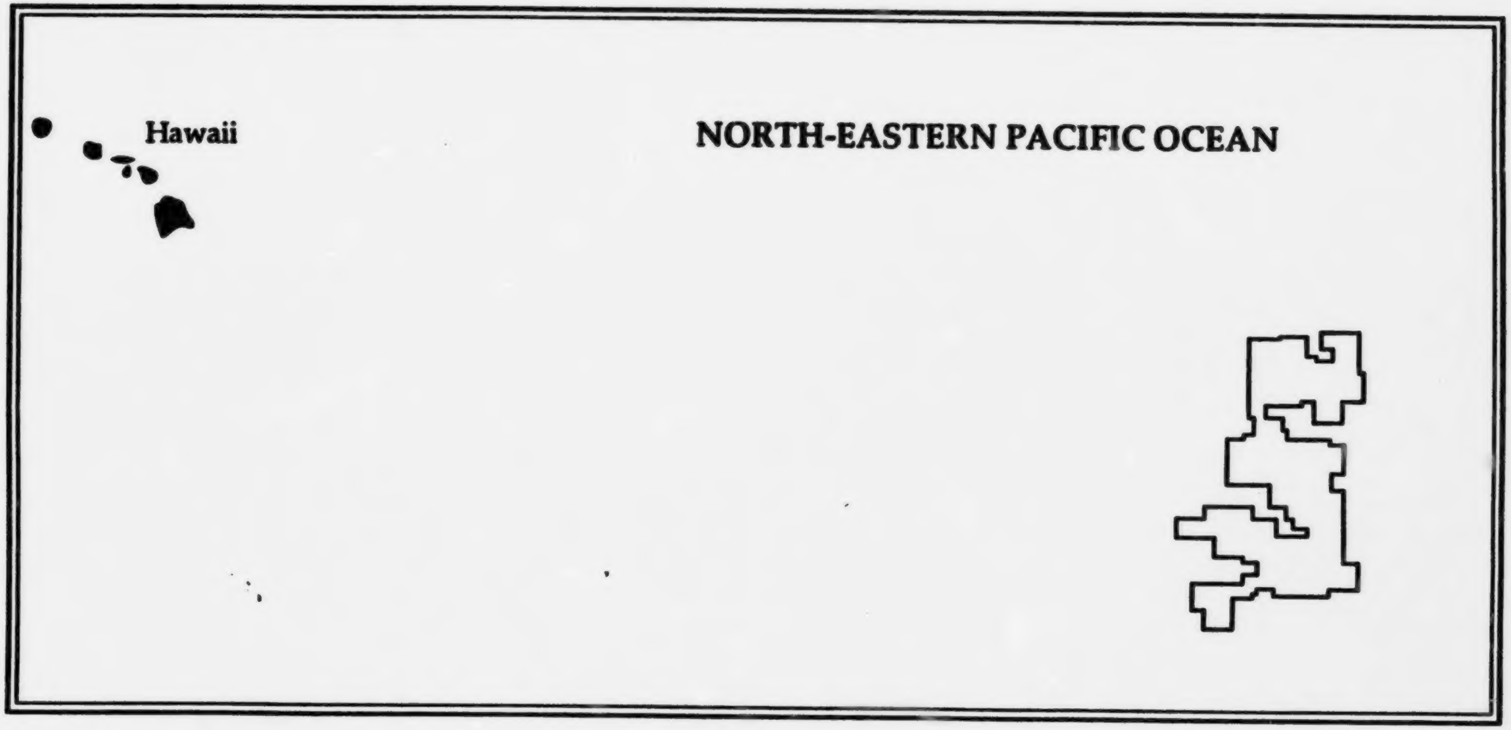
Hawaii
NORTH-EASTERN PACIFIC OCEAN

Figure 1. Overview of Application Area

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B. Data submitted

7. The following technical documents were included in the application:

(a) Maps:

(i) Overview of the application area, scale 1:10,000,000 (1);

(ii) Map of the location of the application area's sectors, scale 1:5,000,000 (1);

(iii) Application area location, scale 1:5,000,000 (1);

(iv) Station locations, scale 1:1,000,000 (2);

(v) Bathymetric chart, scale 1:1,000,000 (2);

(vi) Geomorphology chart, scale 1:1,000,000 (2);

(vii) Station locations and nodules population, scale 1:1,000,000 (2);

(b) Tables:

(i) List of coordinates of the Interoceanmetal application area (6 pages);

(ii) Catalogue of stations and chemical analysis of nodules (30 pages);

(iii) Estimated commercial value of the application area (1 page);

(c) Textual material:

(i) Technical characteristics of equipment used in prospecting of ferromanganese nodules (5 pages);

(ii) Hydrometeorological characteristics (1 page).

8. Additional technical details were given by the applicant in response to questions by the members of the Group of Experts.

9. The following additional material was provided by the applicant:

(a) Maps (2):

Disposition of sectors in the application area of Interoceanmetal;

(b) Tables:

Statistics of the amounts of polymetallic nodule resources in the application area of Interoceanmetal (2 pages);

/...

Co-ordinates of turning points of the sectors in the application area of Interoceanmetal (19 pages).

10. All technical data submitted in the application have been gathered using standard and recognized methods.

C. Methodology

1. General

11. The Group used a number of indicators that have proved useful in assessing equal estimated commercial value. As with previous applications, it was recognized that any approach should be based on the fact that the data reflect the prospecting or exploration stage and that they should be based on a relative comparison of the two areas and not on an assessment of absolute commercial potential or the economic feasibility of commercial operations in the areas.

12. The most important factors were considered to be the metal content, nodule abundance and bathymetry. Because the complex relationship between these factors makes it impossible to make a comparative assessment on the basis of one single composite indicator, several indicators were used in order to ensure comprehensive consideration of the variety of factors that might now, or in the foreseeable future, have a major effect on the relative commercial values of the two areas.

13. As with previous applications, the Group, comprising experts in various disciplines, adopted a set of criteria and an approach that centred essentially on technical aspects.

14. Taking into account the relevant provisions contained in resolution II regarding mapping, sampling, abundance of nodules and their metal content, the Group used its established procedure for a thorough examination of every factor mentioned above.

15. In order to accomplish this task, the Group divided itself into five teams, as follows: the first carried out a comprehensive study of nickel; the second, manganese; the third, cobalt; the fourth, the abundance and tonnage of nodules; and the fifth, an examination of the sea-bed topography.

2. Metal content

16. The Group evaluated the relative amounts of nickel, cobalt and manganese metal contained in the nodules from each area. The basic information used to make this comparison was developed by calculating the metal accumulation, taken as the per cent metal times the nodule abundance at each of some 1,000 stations. These values, together with per cent metal, were plotted on charts in order to evaluate the relative distribution and trends in various areas. This procedure was carried out for each metal and used to determine whether one or the other area contained either larger areas of higher-grade nodules and/or a greater quantity of contained metals.

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17. An additional analysis was made of the cumulative frequency distribution of the metal accumulations in various sectors of areas A and B. This was done in order to assess possible differences that might not be reflected in the data on the mean value of metals in the areas.

3. Abundance

18. The data on abundance given for each station were used to verify the average abundance and the tonnage of nodules provided by the applicant, as well as their range of variation at the 95 per cent confidence level in all the individual sectors. Consolidation of those individual sectors into the broader sectors of the original proposal was also done. The distribution of the data in the different sectors was also examined to assess possible differences.

4. Bathymetry and geomorphology

19. The Group was provided with a bathymetric chart at a scale of 1:1,000,000 that was sufficient to enable it to determine the overall picture of the relief of the sea-bed of the application area and its principal characteristics. The bathymetric data and geomorphological characteristics of the area were analysed by comparing bathymetric maps and verifying the data on the depth of the sea-bed at different sites within the area. Account was taken of the slope of the sea-bed relief in various parts of the area as well as other geological features: volcanic and tectonic structures, sedimentation, erosion and shifting accumulation. The influence of relief and water depth on future exploration and exploitation activities was considered.

D. Results of the evaluation

1. Adequacy of data

20. The Group reviewed the type, frequency and spatial distribution of the data and concluded that they were adequate for developing information that could be used to assess two areas of equal estimated commercial value. The data are also adequate to show that the areas have similar technical characteristics which make them worthy of further exploration in order to delineate possible mine sites.

21. The Group agreed that the areas are so distributed that the hydrological and meteorological conditions in the different sectors of the application area are similar.

2. Identification of sectors for evaluation

22. The division of the total application area into sectors of smaller areas facilitated the work of evaluation. From the information supplied, the Group identified a sector A3 which, with a marginal reduction in size, could be compared

with the sector B4 identified by the applicant for incorporation into the area to be allocated to the applicant (fig. 2). The Group also examined various combinations of sectors for comparison of estimated commercial value and concluded that residual sectors in area A (excluding sector A3 as defined above) and residual sectors in area B (excluding sector B4) represented the best combinations.

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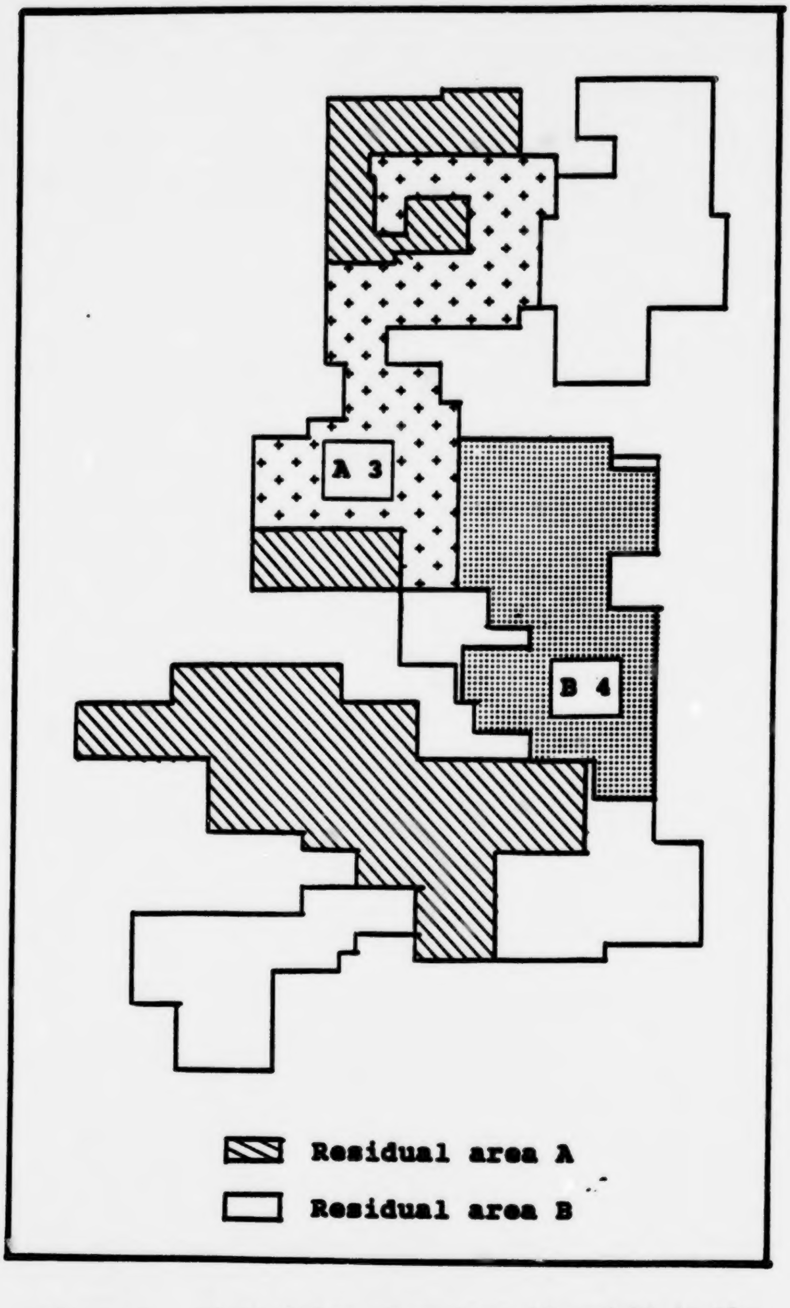
A 3
B 4
Residual area A
Residual area B

Figure 2. Disposition of sectors A3 and B4 in the application area.

3. Metal content

23. The Group carried out an evaluation of nickel, cobalt and manganese in the areas. It was decided not to develop separate information on copper in view of the well-established relationship between copper and nickel that allows the characteristics of copper to be closely approximated by the analysis of nickel.

24. Nickel. In the case of nickel, an evaluation of the mean values of nickel in different sectors of the total application area indicated that they were in agreement with the estimates provided by the applicant. In particular, the mean nickel values, the frequency distribution of nickel values and the contained metal tonnages of sectors B4 and A3 were comparable. The residual area A and the residual area B, each of 97,700 square kilometres, were also found to be similar in respect of metal grades as well as metal tonnages.

25. Manganese. Manganese was considered with respect to per cent metal content as well as accumulations in terms of statistical and spatial distributions. The analysis of data led to conclusions identical to those obtained for nickel.

26. Cobalt. The spatial distribution of cobalt accumulation was found to be more consistent in the central part of the application area than in the northern and southern parts. The statistical distribution of cobalt values suggested that sectors B4 and A3 are generally similar to each other, notwithstanding the slightly higher values in A3. Further, the combination of sector A3 and the residual areas of A in the north and south of the application area has cobalt values similar to the combination of sector B4 and the residual areas of B in the north and south of the application area.

4. Abundance and tonnage

27. The results of the calculation of the abundance and tonnage of nodules correspond with the information given in the application and with the additional information provided by the applicant. Sector A3 was found to be similar to sector B4 in terms of abundance and tonnage of nodules. Likewise, residual area A was found to be similar to residual area B.

5. Bathymetry and geomorphology

28. The analyses of the bathymetric and geomorphological maps have revealed similarities between the different sectors of the application area. The sea bottom is slightly hilly with a few sea mounts of up to 1,000 metres in height, which are more concentrated in the north-west and central parts of the area where volcanogenic types of relief are found.

29. Major structures are oriented NW-SE and N-S and are characterized by tectonic features. The northern part of the application area has the highest elevations, where average water depth is 4,000 metres. The maximum depths (over 4,600 metres) are found in the southern part due to location of the Clipperton fault abyss.

Sea-bottom slopes do not exceed 6° and in the sectors A3 and B4 the slopes do not exceed 4°.

30. The total application area could be divided into three main parts oriented NW-SE, each one with its own particular morphology and water depths. If the application area is divided into two longitudinal blocks, the western and eastern blocks will be similar.

31. Considering the distribution of overall geomorphological and bathymetric features, areas A and B are similar.

E. Selection of areas

32. In the light of the above evaluations, the Group proceeded to consider the selection of areas to be allocated to the applicant and the area to be reserved for the Authority. It was found that an area of 52,300 square kilometres identified in sector A3 was of equal estimated commercial value to that of sector B4. Sector A3, when combined with residual area A, was of equal commercial value to sector B4 combined with residual area B. Each of these combinations makes an area of 150,000 square kilometres.

33. The co-ordinates of areas A and B have been determined by the Group of Technical Experts and are contained in a sealed envelope deposited with the Secretary-General of the United Nations. Figure 3 shows the proposed disposition of areas.

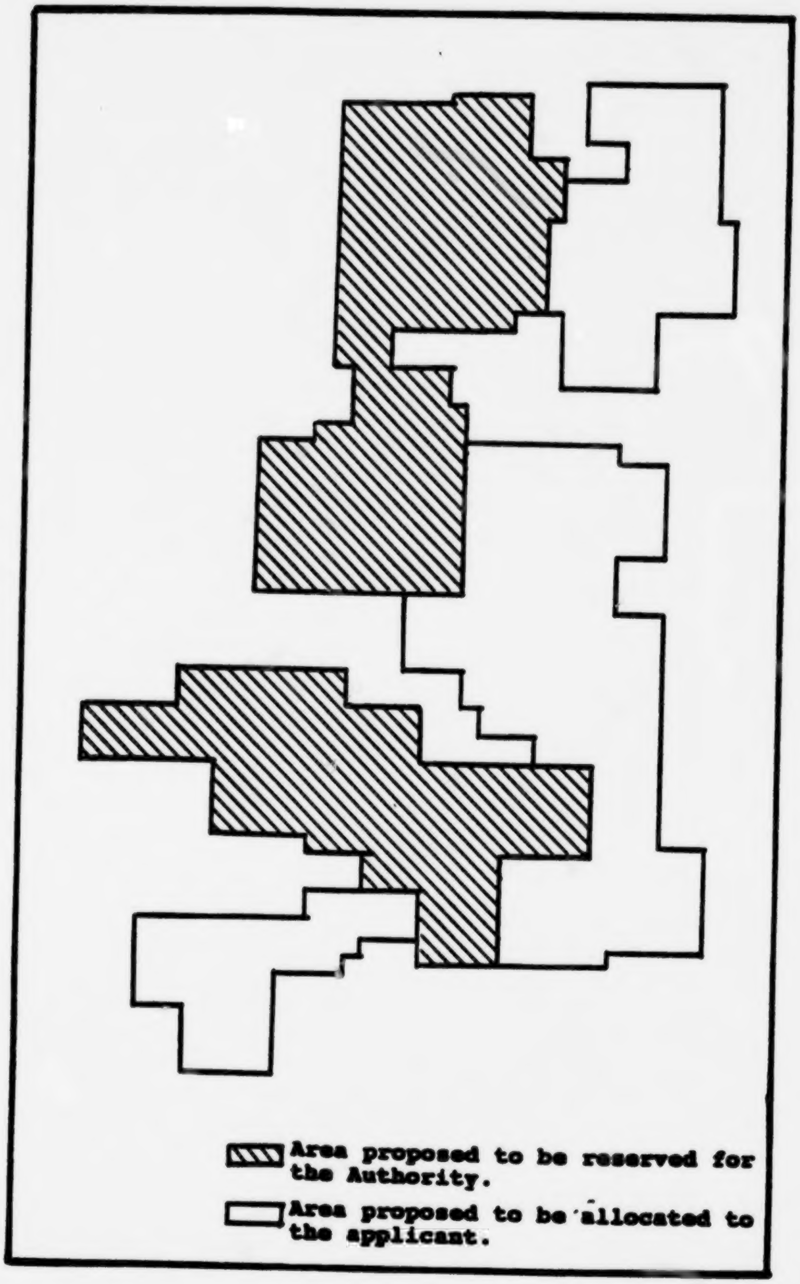
▨ Area proposed to be reserved for the Authority.
☐ Area proposed to be allocated to the applicant.

Figure 3. Disposition of areas in the application of Interoceanmetal.

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III. CONCLUSIONS

34. The following conclusions were reached unanimously by the Group:

(a) Having examined the technical particulars submitted by the applicant which are summarized in section I of the present report, the Group concluded that the application has been submitted in accordance with resolution II and the understanding contained in document LOS/PCN/L.41/Rev.1;

(b) Having evaluated the technical data and information submitted by the applicant as referred to in section II of the present report, the Group determined that areas A and B are of equal estimated commercial value;

(c) As regards the designation of the reserved area and the allocation of the pioneer area, the Group agreed to recommend for the consideration of the General Committee:

(i) That area A should be designated as the area to be reserved for the Authority;

(ii) That area B, which includes an area of 52,300 square kilometres identified by the applicant, should be designated as the pioneer area to be allocated to the applicant.

Notes

1/ Paragraph 13 (3) of the statement on the implementation of resolution II, contained in the annex to document LOS/PCN/L.41/Rev.1.

Annex I

LIST OF MEMBERS OF THE GROUP OF TECHNICAL EXPERTS

1. Mr. Samuel Sona Betah
   Director of Geology
   Ministry of Mines, Water and Power
   Yaounde, Cameroon

2. Dr. Alfredo Jose da Silva Netto
   Rua Marques de Abrantes, 115/1102
   Rio de Janeiro, RJ
   CEP 22230 Brazil
   Brazil

3. Dr. Igor Sergeevich Gramberg
   Director, All-Union Research
   Institute of Geology and Mineral Resources of the World's Ocean
   (VNII Okeanogeologiya)
   Ministry of Geology of the USSR
   Moscow, USSR

4. Dr. Knut S. Heier
   Director
   Geological Survey of Norway
   Leiv Eirikssons vei 39
   PO Box 3006 Lade
   N-7002 Trondheim
   Norway

5. Mr. Hicuunga H. E. Kambaila
   Chief Inspector of Mines
   Mines Safety Department
   P.O. Box 21006
   Kitwe, Zambia

6. Mr. Naphtali Ndiritu Kamundia
   Geologist, Government of Kenya
   P.O. Box 30009
   Nairobi, Kenya

7. M. Jean-Pierre Lenoble
   Institut français de recherche pour l'exploitation de la mer (IFREMER)
   155, rue Jean-Jacques Rousseau
   92138 Issy les Moulineaux Cedex
   France

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8. Dr. Alfonso López-Reina
Geologist
Transversal 44B #100-49
Casa 11, La Cancionera
Bogota, DE
Colombia

9. Mr. Sulaiman Zuhdi Pane
Vice President/Head of Foreign Contractors Management Body
Pertamina
Jalan Merdeka Timur No.1A
Jakarta (10010)
Indonesia

10. Mr. David W. Pasho
Director, Resource Management Division
Mineral Policy Sector
Department of Energy, Mines and Resources
460 O'Connor Street, 11th Floor
Ottawa, Canada

11. Eng. Luis G. Preval Paez
Principal Engineer for the Nickel Industry
Ministry of Basic Industry
Avenida Salvador Allende 666
Havana 3, Cuba

12. Mr. Toshio Sakasegawa
Director
Technology Development Department
Metal Mining Agency of Japan
Tokiwa Building
1-24-14, Toranomon, Minato-ku
Tokyo, Japan

13. Dr. T. R. P. Singh
Deputy General Manager
Engineers India Ltd.
R.K. Puram
New Delhi 110066
India

14. Dr. Zhang Bingxi
Director, Higher Advisory Centre for Science and Technology
Ministry of Geology and Mineral Resources
No. 64, Funeidajie
Xisi, Beijing 100812
China

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C. DECISION ADOPTED ON 21 AUGUST 1991 BY THE GENERAL COMMITTEE OF THE PREPARATORY COMMISSION FOR THE INTERNATIONAL SEA-BED AUTHORITY AND FOR THE INTERNATIONAL TRIBUNAL FOR THE LAW OF THE SEA ON THE APPLICATION SUBMITTED BY THE GOVERNMENTS OF THE REPUBLIC OF BULGARIA, THE REPUBLIC OF CUBA, THE CZECH AND SLOVAK FEDERAL REPUBLIC, THE REPUBLIC OF POLAND AND THE UNION OF SOVIET SOCIALIST REPUBLICS FOR REGISTRATION OF THE INTEROCEANMETAL JOINT ORGANIZATION AS A PIONEER INVESTOR UNDER RESOLUTION II OF THE THIRD UNITED NATIONS CONFERENCE ON THE LAW OF THE SEA*

1. Pursuant to resolution II of the Third United Nations Conference on the Law of the Sea and the statement on the implementation of resolution II of the Preparatory Commission of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex), the General Committee, in accordance with rule 14, paragraph 3, of the rules of procedure of the Preparatory Commission, has considered the application submitted by the Governments of the Republic of Bulgaria, the Republic of Cuba, the Czech and Slovak Federal Republic, the Republic of Poland and the Union of Soviet Socialist Republics for registration of the Interoceanmetal Joint Organization as a pioneer investor under resolution II of the Third United Nations Conference on the Law of the Sea. The General Committee had before it a report of the Group of Technical Experts (LOS/PCN/BUR/INF/R.8) established by the Preparatory Commission to examine the application. In addition, the applicant had released for the consideration of the General Committee the formal part of its application (LOS/PCN/BUR/INF/R.11).

2. The General Committee noted that, in accordance with paragraph 4 of the statement of understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex), the Group of Technical Experts had determined that the application of the Governments of the Republic of Bulgaria, the Republic of Cuba, the Czech and Slovak Federal Republic, the Republic of Poland and the Union of Soviet Socialist Republics for registration of the Interoceanmetal Joint Organization as a pioneer investor was in conformity with resolution II of the Third United Nations Conference on the Law of the Sea, in particular with the principle of equal estimated commercial value, subject to the guidelines and procedures set forth in the above-mentioned statement of understanding.

3. It was noted that in accordance with paragraph 21 of the statement of understanding of 5 September 1986 (LOS/PCN/L.41/Rev.1, annex) "a group of all or several socialist States of Eastern Europe, or a group of State enterprises of such States, shall have the right to apply as pioneer investors in accordance with resolution II for one pioneer area until the United Nations Convention on the Law of the Sea enters into force." The following States - Bulgaria, Byelorussian SSR, Czechoslovakia, German Democratic Republic, Hungary, Poland, Ukrainian SSR and the USSR - were identified as falling within this category (LOS/PCN/L.41/Rev.1, annex, note a, p. 13). Cuba, which is one of the States submitting the application, was

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* Originally issued under the symbol LOS/PCN/122.

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not included in the list. The General Committee decided to recommend to the Preparatory Commission that Cuba be deemed to be included in the above-mentioned list of States.

4. The General Committee has also noted that in the application submitted by the Governments of the Republic of Bulgaria, the Republic of Cuba, the Czech and Slovak Federal Republic, the Republic of Poland and the Union of Soviet Socialist Republics for registration of the Interoceanmetal Joint Organization as a pioneer investor under resolution II of the Third United Nations Conference on the Law of the Sea, the following declarations have been made.

5. The certifying States signed the United Nations Convention on the Law of the Sea on 10 December 1982.

6. The application area is a part of the international sea-bed area and is beyond the limits of national jurisdiction of any State.

7. The certifying States have ensured that the areas in respect of which the application is made do not overlap with pioneer areas and reserved areas already delineated or with those claimed by the pioneer investors referred to in paragraph 1 (a) (ii) of resolution II of the Third United Nations Conference on the Law of the Sea. The certifying States have taken steps to make sure that the application area does not overlap with the areas claimed by the already known potential pioneer investors.

8. The certifying States declare that Interoceanmetal (IOM) will make the payment of $US 250,000 as the fee for registration as a pioneer investor and for the allocation of a pioneer area as soon as the applicant is advised by the Preparatory Commission.

9. In case of registration of Interoceanmetal as a pioneer investor, Interoceanmetal undertakes to conduct its pioneer activities in accordance with the provisions of resolution II, as interpreted and applied by the Preparatory Commission, in particular in the understanding of the fulfilment of obligations by the registered pioneer investors and their certifying States (LOS/PCN/L.87, annex).

10. The General Committee, having considered the application of the Governments of the Republic of Bulgaria, the Republic of Cuba, the Czech and Slovak Federal Republic, the Republic of Poland and the Union of Soviet Socialist Republics for registration of the Interoceanmetal Joint Organization as a pioneer investor under resolution II of the Third United Nations Conference on the Law of the Sea, taking into account the report submitted by the Group of Technical Experts, has noted with appreciation the conclusions reached by the Group of Technical Experts:

(a) Having examined the technical particulars submitted by the applicant which are summarized in section I of its report (LOS/PCN/BUR/R.8), the Group concluded that the application had been submitted in accordance with resolution II and the understanding contained in document LOS/PCN/L.41/Rev.1;

/...

(b) Having evaluated the technical data and information submitted by the applicant as referred to in section II of its report, the Group determined that areas A and B were of equal estimated commercial value;

(c) As regards the designation of the reserved areas and the allocation of the pioneer area, the Group agreed to recommend for the consideration of the General Committee:

(i) That area A should be designated as the area to be reserved for the Authority;

(ii) That area B, which includes an area of 52,300 square kilometres identified by the applicant, should be designated as the pioneer area to be allocated to the applicant.

11. Accordingly, the General Committee, taking into account the readiness of the applicant and the certifying State to comply with their obligations under resolution II and the above-mentioned statement of understanding,

DECIDES:

(a) To designate area A, as the part of the application area which is to be reserved for the conduct of activities by the Authority in the Area through the Enterprise or in association with developing States;

(b) To allocate area B, which includes an area of 52,300 square kilometres identified by the applicant, as a pioneer area to the applicant, the Interoceanmetal Joint Organization;

(c) To annex the co-ordinates of areas A and B hereto;

(d) That a certificate of registration shall be issued to the applicant.

12. The certificate of registration of the application submitted by the Governments of the Republic of Bulgaria, the Republic of Cuba, the Czech and Slovak Federal Republic, the Republic of Poland and the Union of Soviet Socialist Republics shall record:

(a) The identity of the applicant and of the certifying States;

(b) The date of signature of the Convention by the certifying States;

(c) The date of receipt of the application and any revisions thereto;

(d) The date of the decision for registration as a pioneer investor;

(e) The date of registration as a pioneer investor;

(f) The precise geographical co-ordinates of the area allocated to the applicant as a pioneer area;

/...

(g) The exclusive right of the pioneer investor to carry out pioneer activities in the pioneer area allocated to it under resolution II of the Third United Nations Conference on the Law of the Sea;

(h) The requirements of compliance by the pioneer investor with its obligations under resolution II and the above-mentioned statement of understanding;

(i) The requirements of compliance by the certifying States with their commitments under resolution II.

13. The General Committee

REQUESTS the Secretary-General of the United Nations:

(a) To inform all participants of the Preparatory Commission of this decision;

(b) To give due publicity to the co-ordinates of areas A and B;

(c) To maintain a register for the purpose of registering the pioneer investor and to record the reserved area;

(d) To advise the applicant of the administrative arrangements necessary for the payment of fee and to prepare and issue to the applicant a certificate of registration.

Annex

CO-ORDINATES OF THE TURNING POINTS OF AREAS A AND B REFERRED TO IN PARAGRAPH 11 (a) AND (b) OF THIS DECISION

1. Area A, designated as the reserved area for conduct of activities by the Authority in the Area through the Enterprise or in association with developing States, is bounded by lines joining the following turning points, the co-ordinates of which are listed below:

SECTOR A1

Turning points	Latitude (N)	Longitude (W)
1.	12° 00'	123° 00'
2.	13° 21'	123° 00'
3.	13° 21'	122° 30'
4.	13° 30'	122° 30'
5.	13° 30'	122° 10'
6.	14° 00'	122° 10'
7.	14° 00'	122° 20'
8.	16° 20'	122° 20'
9.	16° 20'	121° 20'
10.	16° 25'	121° 20'
11.	16° 25'	120° 40'
12.	15° 50'	120° 40'
13.	15° 50'	120° 20'
14.	15° 20'	120° 20'
15.	15° 20'	120° 30'
16.	14° 30'	120° 30'
17.	14° 30'	120° 45'
18.	14° 20'	120° 45'
19.	14° 20'	121° 50'
20.	14° 00'	121° 50'
21.	14° 00'	121° 20'
22.	13° 40'	121° 20'
23.	13° 40'	121° 10'
24.	12° 00'	121° 10'
1.	12° 00'	123° 00'

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SECTOR A2

Turning points	Latitude (N)	Longitude (W)
1.	8° 40'	121° 30'
2.	9° 20'	121° 30'
3.	9° 20'	122° 00'
4.	9° 40'	122° 00'
5.	9° 40'	122° 30'
6.	9° 50'	122° 30'
7.	9° 50'	123° 20'
8.	10° 30'	123° 20'
9.	10° 30'	124° 30'
10.	11° 00'	124° 30'
11.	11° 00'	123° 40'
12.	11° 20'	123° 40'
13.	11° 20'	122° 10'
14.	11° 00'	122° 10'
15.	11° 00'	121° 30'
16.	10° 30'	121° 30'
17.	10° 30'	120° 00'
18.	9° 40'	120° 00'
19.	9° 40'	120° 47.440'
20.	8° 40'	120° 47.440'
1.	8° 40'	121° 30'

2. Area B, allocated as a pioneer area to the applicant, Interoceanmetal Joint Organization (IOM), is bounded by lines joining the following points, the coordinates of which are listed below:

SECTOR B1

Turning points	Latitude (N)	Longitude (W)
1.	13° 50'	120° 20'
2.	14° 30'	120° 20'
3.	14° 30'	120° 30'
4.	15° 20'	120° 30'
5.	15° 20'	120° 20'
6.	15° 40'	120° 20'
7.	15° 40'	119° 50'
8.	16° 00'	119° 50'
9.	16° 00'	120° 10'
10.	16° 30.790'	120° 10'
11.	16° 30.790'	119° 00'
12.	15° 20'	119° 00'
13.	15° 20'	118° 50'
14.	14° 30'	118° 50'
15.	14° 30'	119° 30'
16.	13° 50'	119° 30'
1.	13° 50'	120° 20'

/...

SECTOR B2

Turning points	Latitude (N)	Longitude (W)
1.	8° 40'	120° 47.440'
2.	9° 40'	120° 47.440'
3.	9° 40'	120° 00'
4.	10° 30'	120° 00'
5.	10° 30'	120° 30'
6.	10° 45'	120° 30'
7.	10° 45'	121° 00'
8.	11° 00'	121° 00'
9.	11° 00'	121° 10'
10.	11° 20'	121° 10'
11.	11° 20'	121° 40'
12.	12° 00'	121° 40'
13.	12° 00'	121° 10'
14.	13° 20'	121° 10'
15.	13° 20'	119° 50'
16.	13° 10'	119° 50'
17.	13° 10'	119° 25'
18.	12° 20'	119° 25'
19.	12° 20'	119° 50'
20.	11° 50'	119° 50'
21.	11° 50'	119° 25'
22.	9° 45'	119° 25'
23.	9° 45'	119° 00'
24.	8° 50'	119° 00'
25.	8° 50'	119° 50'
26.	8° 40'	119° 50'
1.	8° 40'	120° 47.440'

SECTOR B3

Turning points	Latitude (N)	Longitude (W)
1.	7° 40'	123° 35'
2.	8° 15'	123° 35'
3.	8° 15'	124° 00'
4.	9° 05'	124° 00'
5.	9° 05'	122° 30'
6.	9° 20'	122° 30'
7.	9° 20'	121° 30'
8.	8° 55'	121° 30'
9.	8° 55'	122° 00'
10.	8° 45'	122° 00'
11.	8° 45'	122° 10'
12.	8° 35'	122° 10'
13.	8° 35'	122° 45'
14.	7° 40'	122° 45'
1.	7° 40'	123° 35'

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Annex I

RESOLUTION II

GOVERNING PREPARATORY INVESTMENT IN PIONEER ACTIVITIES RELATING TO POLYMETALLIC NODULES*

The Third United Nations Conference on the Law of the Sea,

Having adopted the Convention on the Law of the Sea (the "Convention"),

Having established by resolution I the Preparatory Commission for the International Sea-Bed Authority and for the International Tribunal for the Law of the Sea (the "Commission") and directed it to prepare draft rules, regulations and procedures, as necessary to enable the Authority to commence its functions, as well as to make recommendations for the early entry into effective operation of the Enterprise,

Desirous of making provision for investments by States and other entities made in a manner compatible with the international régime set forth in Part XI of the Convention and the Annexes relating thereto, before the entry into force of the Convention,

Recognizing the need to ensure that the Enterprise will be provided with the funds, technology and expertise necessary to enable it to keep pace with the States and other entities referred to in the preceding paragraph with respect to activities in the Area,

Decides as follows:

1. For the purposes of this resolution:

(a) "pioneer investor" refers to:

(i) France, India, Japan and the Union of Soviet Socialist Republics, or a state enterprise of each of those States or one natural or juridical person which possesses the nationality of or is effectively controlled by each of those States, or their nationals, provided that the State concerned signs the Convention and the State or state enterprise or natural or juridical person has expended, before 1 January 1983, an amount equivalent to at least $US 30 million (United States dollars calculated in constant dollars relative to 1982) in pioneer activities and has expended no less than 10 per cent of that amount in the location, survey and evaluation of the area referred to in paragraph 3 (a);

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[*] Appeared originally in Official Records of the Third United Nations Conference on the Law of the Sea, vol. XVII (United Nations publication, Sales No. E.84.V.3), document A/CONF.62/121.

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(ii) four entities, whose components being natural or juridical persons a/ possess the nationality of one or more of the following States, or are effectively controlled by one or more of them or their nationals: Belgium, Canada, the Federal Republic of Germany, Italy, Japan, the Netherlands, the United Kingdom of Great Britain and Northern Ireland, and the United States of America, provided that the certifying State or States sign the Convention and the entity concerned has expended, before 1 January 1983, the levels of expenditure for the purpose stated in subparagraph (i);

(iii) any developing State which signs the Convention or any state enterprise or natural or juridical person which possesses the nationality of such State or is effectively controlled by it or its nationals, or any group of the foregoing, which, before 1 January 1985, has expended the levels of expenditure for the purpose stated in subparagraph (i);

The rights of the pioneer investor may devolve upon its successor in interest.

(b) "pioneer activities" means undertakings, commitments of financial and other assets, investigations, findings, research, engineering development and other activities relevant to the identification, discovery, and systematic analysis and evaluation of polymetallic nodules and to the determination of the technical and economic feasibility of exploitation. Pioneer activities include:

(i) any at-sea observation and evaluation activity which has as its objective the establishment and documentation of the nature, shape, concentration, location and grade of polymetallic nodules and of the environmental, technical and other appropriate factors which must be taken into account before exploitation;

(ii) the recovery from the Area of polymetallic nodules with a view to the designing, fabricating and testing of equipment which is intended to be used in the exploitation of polymetallic nodules;

(c) "certifying State" means a State which signs the Convention, standing in the same relation to a pioneer investor as would a sponsoring State pursuant to Annex III, article 4, of the Convention and which certifies the levels of expenditure specified in subparagraph (a);

(d) "polymetallic nodules" means one of the resources of the Area consisting of any deposit or accretion of nodules, on or just below the surface of the deep sea-bed, which contain manganese, nickel, cobalt and copper;

(e) "pioneer area" means an area allocated by the Commission to a pioneer investor for pioneer activities pursuant to this resolution. A pioneer area shall not exceed 150,000 square kilometres. The pioneer investor shall relinquish portions of the pioneer area to revert to the Area, in accordance with the following schedule:

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(i) 20 per cent of the area allocated by the end of the third year from the date of the allocation;

(ii) an additional 10 per cent of the area allocated by the end of the fifth year from the date of the allocation;

(iii) an additional 20 per cent of the area allocated or such larger amount as would exceed the exploitation area decided upon by the Authority in its rules, regulations and procedures, after eight years from the date of the allocation of the area or the date of the award of a production authorization, whichever is earlier;

(f) "Area", "Authority", "activities in the Area" and "resources" have the meanings assigned to those terms in the Convention.

2. As soon as the Commission begins to function, any State which has signed the Convention may apply to the Commission on its behalf or on behalf of any state enterprise or entity or natural or juridical person specified in paragraph 1 (a) for registration as a pioneer investor. The Commission shall register the applicant as a pioneer investor if the application:

(a) is accompanied, in the case of a State which has signed the Convention, by a statement certifying the level of expenditure made in accordance with paragraph 1 (a), and, in all other cases, a certificate concerning such level of expenditure issued by a certifying State or States; and

(b) is in conformity with the other provisions of this resolution, including paragraph 5.

3. (a) Every application shall cover a total area which need not be a single continuous area, sufficiently large and of sufficient estimated commercial value to allow two mining operations. The application shall indicate the co-ordinates of the area defining the total area and dividing it into two parts of equal estimated commercial value and shall contain all the data available to the applicant with respect to both parts of the area. Such data shall include, inter alia, information relating to mapping, testing, the density of polymetallic nodules and their metal content. In dealing with such data, the Commission and its staff shall act in accordance with the relevant provisions of the Convention and its Annexes concerning the confidentiality of data.

(b) Within forty-five days of receiving the data required by subparagraph (a), the Commission shall designate the part of the area which is to be reserved in accordance with the Convention for the conduct of activities in the Area by the Authority through the Enterprise or in association with developing States. The other part of the area shall be allocated to the pioneer investor as a pioneer area.

4. No pioneer investor may be registered in respect of more than one pioneer area. In the case of a pioneer investor which is made up of two or more components, none of such components may apply to be registered as a pioneer investor in its own right or under paragraph 1 (a) (iii).

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5. (a) Any State which has signed the Convention and which is a prospective certifying State shall ensure, before making applications to the Commission under paragraph 2, that areas in respect of which applications are made do not overlap one another or areas previously allocated as pioneer areas. The States concerned shall keep the Commission currently and fully informed of any efforts to resolve conflicts with respect to overlapping claims and of the results thereof.

(b) Certifying States shall ensure, before the entry into force of the Convention, that pioneer activities are conducted in a manner compatible with it.

(c) The prospective certifying State, including all potential claimants, shall resolve their conflicts as required under subparagraph (a) by negotiations within a reasonable period. If such conflicts have not been resolved by 1 March 1983, the prospective certifying States shall arrange for the submission of all such claims to binding arbitration in accordance with the United Nations Commission on International Trade Law Arbitration Rules to commence not later than 1 May 1983 and to be completed by 1 December 1984. If one of the States concerned does not wish to participate in the arbitration, it shall arrange for a juridical person of its nationality to represent it in the arbitration. The arbitral tribunal may, for good cause, extend the deadline for the making of the award for one or more thirty-day periods.

(d) In determining the issue as to which applicant involved in a conflict shall be awarded all or part of each area in conflict, the arbitral tribunal shall find a solution which is fair and equitable, having regard, with respect to each applicant involved in the conflict, to the following factors:

(i) the deposit of the list of relevant co-ordinates with the prospective certifying State or States not later than the date of adoption of the Final Act or 1 January 1983, whichever is earlier;

(ii) the continuity and extent of past activities relevant to each area in conflict and to the application area of which it is a part;

(iii) the date on which each pioneer investor concerned or predecessor in interest or component organization thereof commenced activities at sea in the application area;

(iv) the financial cost of activities measured in constant United States dollars relevant to each area in conflict and to the application area of which it is a part; and

(v) the time when those activities were carried out and the quality of activities.

6. A pioneer investor registered pursuant to this resolution shall, from the date of registration, have the exclusive right to carry out pioneer activities in the pioneer area allocated to it.

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7. (a) Every applicant for registration as a pioneer investor shall pay to the Commission a fee of $US 250,000. When the pioneer investor applies to the Authority for a plan of work for exploration and exploitation the fee referred to in Annex III, article 13, paragraph 2, of the Convention shall be $US 250,000.

(b) Every registered pioneer investor shall pay an annual fixed fee of $US 1 million commencing from the date of the allocation of the pioneer area. The payments shall be made by the pioneer investor to the Authority upon the approval of its plan of work for exploration and exploitation. The financial arrangements undertaken pursuant to such plan of work shall be adjusted to take account of the payments made pursuant to this paragraph.

(c) Every registered pioneer investor shall agree to incur periodic expenditures, with respect to the pioneer area allocated to it, until approval of its plan of work pursuant to paragraph 8, of an amount to be determined by the Commission. The amount should be reasonably related to the size of the pioneer area and the expenditures which would be expected of a bona fide operator who intends to bring that area into commercial production within a reasonable time.

8. (a) Within six months of the entry into force of the Convention and certification by the Commission in accordance with paragraph 11, of compliance with this resolution, the pioneer investor so registered shall apply to the Authority for approval of a plan of work for exploration and exploitation, in accordance with the Convention. The plan of work in respect of such application shall comply with and be governed by the relevant provisions of the Convention and the rules, regulations and procedures of the Authority, including those on the operational requirements, the financial requirements and the undertakings concerning the transfer of technology. Accordingly, the Authority shall approve such application.

(b) When an application for approval of a plan of work is submitted by an entity other than a State, pursuant to subparagraph (a), the certifying State or States shall be deemed to be the sponsoring State for the purposes of Annex III, article 4, of the Convention, and shall thereupon assume such obligations.

(c) No plan of work for exploration and exploitation shall be approved unless the certifying State is a Party to the Convention. In the case of the entities referred to in paragraph 1 (a) (ii), the plan of work for exploration and exploitation shall not be approved unless all the States whose natural or juridical persons comprise those entities are Parties to the Convention. If any such State fails to ratify the Convention within six months after it has received a notification from the Authority that an application by it, or sponsored by it, is pending, its status as a pioneer investor or certifying State, as the case may be, shall terminate, unless the Council, by a majority of three fourths of its members present and voting, decides to postpone the terminal date for a period not exceeding six months.

9. (a) In the allocation of production authorizations, in accordance with article 151 and Annex III, article 7, of the Convention, the pioneer investors who have obtained approval of plans of work for exploration and exploitation shall have priority over all applicants other than the Enterprise which shall be entitled to

production authorizations for two mine sites including that referred to in article 151, paragraph 5, of the Convention. After each of the pioneer investors has obtained production authorization for its first mine site, the priority for the Enterprise contained in Annex III, article 7, paragraph 6, of the Convention shall apply.

(b) Production authorizations shall be issued to each pioneer investor within thirty days of the date on which that pioneer investor notifies the Authority that it will commence commercial production within five years. If a pioneer investor is unable to begin production within the period of five years for reasons beyond its control, it shall apply to the Legal and Technical Commission for an extension of time. That Commission shall grant the extension of time, for a period not exceeding five years and not subject to further extension, if it is satisfied that the pioneer investor cannot begin on an economically viable basis at the time originally planned. Nothing in this subparagraph shall prevent the Enterprise or any other pioneer applicant, who has notified the Authority that it will commence commercial production within five years, from being given a priority over any applicant who has obtained an extension of time under this subparagraph.

(c) If the Authority, upon being given notice, pursuant to subparagraph (b), determines that the commencement of commercial production within five years would exceed the production ceiling in article 151, paragraphs 2 to 7, of the Convention, the applicant shall hold a priority over any other applicant for the award of the next production authorization allowed by the production ceiling.

(d) If two or more pioneer investors apply for production authorizations to begin commercial production at the same time and article 151, paragraphs 2 to 7, of the Convention would not permit all such production to commence simultaneously, the Authority shall notify the pioneer investors concerned. Within three months of such notification, they shall decide whether and, if so, to what extent they wish to apportion the allowable tonnage among themselves.

(e) If, pursuant to subparagraph (d), the pioneer investors concerned decide not to apportion the available production among themselves, they shall agree on an order of priority for production authorizations and all subsequent applications for production authorizations will be granted after those referred to in this subparagraph have been approved.

(f) If, pursuant to subparagraph (d), the pioneer investors concerned decide to apportion the available production among themselves, the Authority shall award each of them a production authorization for such lesser quantity as they have agreed. In each case the stated production requirements of the applicant will be approved and their full production will be allowed as soon as the production ceiling admits of additional capacity sufficient for the applicants involved in the competition. All subsequent applications for production authorizations will only be granted after the requirements of this subparagraph have been met and the applicant is no longer subject to the reduction of production provided for in this subparagraph.

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(g) If the parties fail to reach agreement within the stated time period, the matter shall be decided immediately by the means provided for in paragraph 5 (c) in accordance with the criteria set forth in Annex III, article 7, paragraphs 3 and 5, of the Convention.

10. (a) Any rights acquired by entities or natural or juridical persons which possess the nationality of or are effectively controlled by a State or States whose status as certifying State has been terminated, shall lapse unless the pioneer investor changes its nationality and sponsorship within six months of the date of such termination, as provided for in subparagraph (c).

(b) A pioneer investor may change its nationality and sponsorship from that existing at the time of its registration as a pioneer investor to that of any State Party to the Convention which has effective control over the pioneer investor in terms of paragraph 1 (a).

(c) Changes of nationality and sponsorship pursuant to this paragraph shall not affect any right or priority conferred on a pioneer investor pursuant to paragraphs 6 and 8.

11. The Commission shall:

(a) provide each pioneer investor with the certificate of compliance with the provisions of this resolution referred to in paragraph 8; and

(b) include in its final report required by paragraph 11 of resolution I of the Conference details of all registrations of pioneer investors and allocations of pioneer areas pursuant to this resolution.

12. In order to ensure that the Enterprise is able to carry out activities in the Area in such a manner as to keep pace with States and other entities:

(a) every registered pioneer investor shall:

(i) carry out exploration, at the request of the Commission, in the area reserved, pursuant to paragraph 3 in connection with its application for activities in the Area by the Authority through the Enterprise or in association with developing States, on the basis that the costs so incurred plus interest thereon at the rate of 10 per cent per annum shall be reimbursed;

(ii) provide training at all levels for personnel designated by the Commission;

(iii) undertake, before the entry into force of the Convention, to perform the obligations prescribed in the Convention relating to transfer of technology;

(b) every certifying State shall:

/...

(i) ensure that the necessary funds are made available to the Enterprise in a timely manner in accordance with the Convention, upon its entry into force; and

(ii) report periodically to the Commission on the activities carried out by it, by its entities or natural or juridical persons.

13. The Authority and its organs shall recognize and honour the rights and obligations arising from this resolution and the decisions of the Commission taken pursuant to it.

14. Without prejudice to paragraph 13, this resolution shall have effect until the entry into force of the Convention.

15. Nothing in this resolution shall derogate from Annex III, article 6, paragraph 3 (c), of the Convention.

Notes

a/ For their identity and composition, see Sea-Bed Mineral Resource Development: Recent Activities of the International Consortia (United Nations publication, Sales No. E.80.II.A.9); and Sea-Bed Mineral Resource Development (United Nations publication, Sales No. E.80.II.A.9/Add.1).

Annex II

STATEMENT MADE BY THE ACTING CHAIRMAN OF THE PREPARATORY COMMISSION*

1. During the present session, the work of the plenary was divided into three parts:

(a) Organization of the work of the Commission;

(b) Preparation of the rules, regulations and procedures relating to the various organs of the Authority;

(c) Implementation of resolution II.

Organization of work

2. On 12 August 1986, the plenary, on the recommendation of the General Committee, adopted a programme of work which enabled all the Special Commissions and the plenary on the Authority to meet. As had been agreed, priority was given to the implementation of resolution II, particularly to the consultations on the Arusha Understanding.

Preparation of the rules, regulations and procedures relating to the various organs of the Authority

3. At the present session, the plenary held eight informal meetings on the Authority. At the first six meetings, the plenary continued the first reading of the draft rules of procedure for the Legal and Technical Commission contained in document LOS/PCN/WP.31, and subsequently started consideration of the draft rules of procedure for the Economic Planning Commission. This paper, prepared by the Secretariat, was circulated on 22 August 1986 as document LOS/PCN/WP.36.

4. In considering the draft rules of procedure for the Legal and Technical Commission, the plenary had before it amendments submitted at the previous session in Kingston on 25 March 1986 by the delegations of Bulgaria, the Byelorussian Soviet Socialist Republic, Czechoslovakia, the German Democratic Republic, Hungary, Poland, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics; and amendments submitted on 3 April 1986 by the delegations of Belgium, the Federal Republic of Germany, Italy, Japan, the Netherlands and the United Kingdom of Great Britain and Northern Ireland; and an amendment submitted on 4 April 1986 by the delegation of Uruguay. These amendments were circulated in documents LOS/PCN/WP.32, LOS/PCN/WP.34 and LOS/PCN/WP.35, respectively.

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* Originally issued under the symbol LOS/PCN/L.41/Rev.1.

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5. Since consideration of draft rules 17-21 was not completed in Kingston, the plenary started with the examination of those rules and at the first two meetings provisionally approved rules 18-21 without amendments. At the subsequent meetings, the plenary provisionally adopted without amendments rules 23, 24, 26, 27, 29-37, 39, 40, 42, 45-52 and 56-62 and rules 25, 28, 44 and 53 as orally amended. It should be mentioned that although as indicated above, rules 56 and 57 ("Languages of the Commission" and "Interpretation") were provisionally approved, one delegation reserved its final position on the issue of languages.

6. In the course of the debate, no agreement could be reached on rules 17, 22, 38, 41, 43, 54 and 55 and therefore their further consideration was postponed until a later stage. With respect to rule 22, "Duties of the Secretary-General", the aforementioned delegations, which submitted amendments to the draft rules, felt that it should be expanded and complemented by the provisions relating to the presentation by the Secretary-General of reports assessing the costs as well as the administrative and budgetary implications of proposals and recommendations considered by the Commission. It was, therefore, decided that the relevant proposals for new rules 23 bis and 41 bis, contained in documents LOS/PCN/WP.32 and LOS/PCN/WP.34 respectively, should be examined at the same time as rule 22 because of their close link to it.

7. No agreement was reached on the issue of decision-making on questions of substance, which is embodied in rule 41. However, a suggestion was made that it might be advisable in drafting this rule to follow the decision-making procedures specified in article 161 of the Convention for the different categories of questions. It was also decided to postpone discussion on rule 38 on reconsideration of proposals and return to it when the plenary once again addressed the issue of decision-making on questions of substance.

8. The plenary completed the first reading of the rules contained in document LOS/PCN/WP.31. However, it must be noted that there were certain proposals that were not considered by the plenary. The plenary did not examine proposals for the inclusion in the rules on the special procedures for the review of applications for approval of plans of work, the preliminary reservation of areas and recommendations to the Council contained in document LOS/PCN/WP.32. The plenary also did not have time also to address the issue raised by certain delegations as to whether the draft rules of procedure should explicitly cover some of the working methods to be exercised by the Legal and Technical Commission, in particular with respect to article 165, paragraphs 2 (c) and 3 of the Convention, concerning the functions of supervision and inspection, article 165, paragraph 2 (e), related to the use of outside experts and paragraph 2 (k) of the same article dealing with the issuing of emergency orders to prevent serious harm to the marine environment.

9. The plenary began consideration of the draft rules of procedure for the Economic Planning Commission. In examining these rules, the plenary had before it the draft prepared by the Secretariat (LOS/PCN/WP.36) and two sets of amendments submitted on 28 August 1986 by the delegations of Belgium, the Federal Republic of Germany, Italy, Japan, the Netherlands and the United Kingdom of Great Britain and Northern Ireland and on the same date by the delegations of Bulgaria, the Byelorussian SSR, Czechoslovakia, the German Democratic Republic, Hungary,

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Mongolia, Poland, the Ukrainian SSR and the USSR. These amendments were circulated in documents LOS/PCN/WP.37 and LOS/PCN/WP.38 respectively.

10. The plenary examined 20 of the 61 draft rules of the Economic Planning Commission and adopted without amendment rules 5, 9, 11-14 and 17-20. No agreement was reached on draft rules 1-4, 6-8, 10, 15 and 16. In considering rule 10 on incompatible activities and confidentiality and on an amendment thereto, contained in document LOS/PCN/WP.37, a suggestion was made, similar to one already expressed at the previous session, that the issue of confidentiality of data and information was a general one, in the sense that it concerned other Commissions, in particular Commission 3 and therefore should probably be tackled as a package within the Preparatory Commission.

11. At the next session of the Preparatory Commission, the plenary will continue with the first reading of the Economic Planning Commission. It will then commence the second reading of the revised draft rules of procedure of the Council contained in document LOS/PCN/WP.26/Rev.1. There were a number of rules left pending by the plenary while considering the draft rules of procedure of the Assembly, the Council and the Legal and Technical Commission. It will be recalled that at the third session of the Preparatory Commission the Chairman had held intensive consultations on some of these issues that particularly concerned the draft rules of procedure of the Assembly (LOS/PCN/L.19). At the appropriate stage the plenary will be obliged to devise a mechanism for dealing with these issues.

Implementation of resolution II

12. At the second session of the Preparatory Commission, held at Kingston from 19 March to 13 April 1984, the Chairman was requested to use his good offices to assist the parties that had overlapping claims to reach an agreement on resolving the overlaps.

13. It was on the basis of this request that the Chairman decided to undertake consultations with the parties concerned in order to find a solution to the problem of conflicts arising from the overlap of claims with regard to pioneer investors.

14. At the summer meeting held at Geneva from 13 August to 5 September 1984, an understanding was reached among the parties concerned.

15. That understanding was in two parts. The first part represented an understanding on the resolution of conflicts among applicants for registration as pioneer investors and the second part was an understanding on the procedure for conflict resolution among the first groups of applicants. This understanding is found in the Chairman's statement to the plenary contained in document LOS/PCN/L.8.

16. The understanding on resolution of conflicts among applicants for registration of pioneer investors stated, *inter alia*, that:

(a) The first group of applicants would include all those who have submitted applications to the Preparatory Commission by 9 December 1984;

(b) Immediately after 9 December 1984, all applicants would meet to exchange co-ordinates of areas claimed in their applications, in order to ascertain whether there were any overlaps;

(c) In case of overlaps, it was agreed that the applicants concerned would proceed to resolve the conflicts among themselves;

(d) The registration of the first group of applicants would not prejudice the right of other potential pioneer investors to submit applications for registration with the Preparatory Commission, taking into account the areas already allocated or designated as reserved areas.

17. According to that part of the understanding that concerned the procedure for conflict resolution among the first group of applicants, all applicants agreed to meet on 17 December 1984 to exchange lists of co-ordinates of the areas claimed in their respective applications in order to ascertain if there were any overlaps between the areas claimed in the applications submitted to the Preparatory Commission for registration as pioneer investors. If an overlap of claims was found between two or more applicants the conflict should be resolved through negotiations.

18. In accordance with the understanding, the four applications received by 9 December 1984 from France, India, Japan and the Soviet Union were taken to Geneva by Mr. Satya N. Nandan, the Special Representative of the Secretary-General, where the first group of applicants met on 17 December 1984 in order to exchange their co-ordinates in the presence of the Special Representative. It was discovered that overlaps did exist between the application areas of Japan and the Soviet Union and between those of France and the Soviet Union. In the case of India, there was no overlap in the area identified as its application area. Those having overlaps, in accordance with the procedures described in the understanding of 31 August 1984, agreed to undertake further consultations beginning on 11 January 1985 with a view to resolving the respective overlaps within the time prescribed in the understanding of 1984.

19. Accordingly, the three countries concerned began their meetings on 1 January 1985 in Paris and subsequently met in Tokyo and Moscow in order to resolve the conflicts arising out of the overlapping of the application areas that were between France and the USSR, on the one hand, and between Japan and the USSR, on the other.

20. The conflict concerning the overlapping between the Japanese and Soviet application areas were provisionally resolved during the negotiations. However, the overlap between France and the Soviet Union created practical problems for the two countries in that it was difficult to find a solution that would meet with all the conditions set out in resolution II, paragraph 3.

21. During the third session at Kingston (11 March-4 April 1985) the Chairman had a number of meetings with the four applicants, individually and collectively. Considerable progress was made towards finding a solution. However, while France and the Soviet Union were able to resolve the conflicts between their respective

claims, a practical problem remained with respect to the fulfilment of the requirements of resolution II, paragraph 3. In his report, the Chairman paid tribute to the sincerity and goodwill demonstrated by all the applicants.

22. Following the session at Kingston, inter-sessional consultations took place between France and the Soviet Union in particular. At their request, a meeting took place at Geneva under the Chairman's good offices. These meetings were designed to encourage those countries to find a solution that could assist them in making a proposal to the Commission.

23. Consultations continued during the summer meeting held at Geneva (13 August-4 September 1985). The Chairman devoted much time to this task with the help of the Special Representative in encouraging all concerned to find a practical solution to the issues. In addition, the scope of his consultation with delegations was widened. It was, however, not possible at that stage to submit any proposal for the consideration of the Commission.

24. An understanding was reached that intensive efforts would be made during the inter-sessional period to solve the remaining issues and a time-table and procedure was agreed upon for further consultations.

25. The Chairman made every effort to assist the four applicants to submit a proposal that would take account of the practical problems that they had encountered and that would be generally acceptable to the Commission. To that end, three issues were identified by the Chairman that must be addressed if progress were to be made: (a) the interests of the applicants should be adequately reflected; (b) there should be an accommodation of the interests of the Authority within the central zone in the north-east Pacific Ocean; and (c) the interests of the potential applicants should also be taken into account. The Chairman appealed to the four pioneer investors to find a solution, taking into account the aforesaid three elements. Although in the case of India there was no overlap in its application area, India agreed to participate in all the negotiations with a view to facilitating the process of early registration of the first group of applicants and the implementation of resolution II.

26. This led to intensive meetings among the four applicants at Geneva, Tokyo and, finally, at Arusha in February 1986. At the Arusha meeting, with the Chairman and the Special Representative the four applicants presented a set of proposals, which is incorporated in what has now come to be known as the "Arusha Understanding".

27. At the fourth session of the Commission held at Kingston (17 March-11 April 1986) I was requested by Chairman Joseph Warioba to deputize as Acting Chairman for him. This was a consequence of his having assumed the new responsibility of Prime Minister of the United Republic of Tanzania. At this session, I undertook intensive consultations on the Arusha Understanding. These were held with different interest groups and individual delegations. During that session, many clarifications were provided by me with the assistance of the Special Representative and that of Ambassador Kateka of the United Republic of Tanzania. The first group of applicants had also assisted in that process by responding to questions that were put to them, sometimes in writing and sometimes through me.

28. In my report to the plenary (LOS/PCN/L.34/Rev.1), I noted that in the course of those consultations I was able to ascertain that most delegations believed that the Arusha Understanding was a good basis for resolving conflicts, and for accommodating the interests of the Authority and those of the first group of applicants. I also noted, however, that while considerable progress had been made, further consultations were necessary. In particular, certain delegations had informed me that they required more time to consider the Arusha Understanding to enable them to take a more definite position.

29. During the inter-sessional period, the Chairman received a number of communications from different interest groups on the Arusha Understanding and while it was not possible to have inter-sessional consultations, consultations were nevertheless begun during the week preceding this session by the Special Representative on the Chairman's behalf.

30. During the pre-sessional consultations, which have taken place with various interested groups, certain ideas emerged. It was recognized that there should be a time-frame and procedure in order to complete registration. The key element of the package was to build upon the agreement reflected in the Arusha Understanding. To that end, a mechanism was devised to allow for the submission of revised applications to a group of technical experts which would examine these applications and report to the General Committee. Finally, a date will be fixed for the General Committee to consider the applications and register them.

31. During the first week of the present session, I continued the consultations and I am pleased to record that considerable progress was made towards achieving some understanding on the elements. On the Chairman's arrival in New York I briefed him on the consultations I had conducted both during the Kingston session and during the first week in New York.

32. During the second week of the present session, consultations were conducted by Chairman Joseph S. Warioba. As he has reported, he met with all the interested groups - the group of first applicants; the potential applicants; the Group of 10 representing the Group of 77; and the Group that is popularly known as the Friends of the Convention.

33. As stated in his report (LOS/PCN/L.36), an informal paper based on the ideas developed during the consultations held before the session and in the first and second week of the session was circulated by the secretariat. He had noted that all the groups had very positive comments about the informal paper and found a large part of it acceptable. However there were certain issues that, because of a lack of time, could not be resolved before his departure.

34. The Chairman had requested me to continue with the consultations as Acting Chairman. During the last two weeks of the present session, I held a series of consultations with all interested groups and with delegations with the help of the Special Representative.

35. During these consultations, which were arduous and prolonged and continued right up until today, all issues relating to a package of understanding were

intensively negotiated between the different interest groups under my guidance. Negotiations also took place directly among some interest groups, the results of which were presented to me. As a consequence of all these efforts it was possible for me to forge together a final package of understanding contained in the annex to this statement entitled "Statement on the implementation of resolution II".

36. As will be seen from the text of the understanding, it takes into account the interests of all groups of States and that of the Preparatory Commission as a whole. Quite clearly, the understanding is the result of compromises and reflects the common denominator among all groups of States in the Preparatory Commission. It is a major step forward in one critical area of the work of the Preparatory Commission, i.e., the implementation of the régime for pioneer investors under resolution II of the Third United Nations Conference on the Law of the Sea.

37. The procedures and mechanisms established in this understanding should lead us to the registration of the first group of applicants after a delay of almost two years. It will also give practical effect to the new régime for deep sea-bed mining under the Convention since the rights and interest acquired as pioneer investors would be recognized under part XI of the United Nations Convention on the Law of the Sea on its entry into force. The consideration given to the interests of the potential pioneer investors as reflected in this understanding underscores the fact that the Preparatory Commission has acted equitably to safeguard the interests of all.

38. Quite clearly the Preparatory Commission is of the view that there can only be one régime for deep sea-bed mining and that is the régime contained in the Convention. It is the hope and expectation of all of us here that everyone will eventually work within that régime for the sake of peace and good order in the oceans and the security of the rights of all those who are interested in deep sea-bed mining.

39. Distinguished delegates, the understanding we have negotiated during this session and which is contained in the annex to this statement will guide the future course of action in the implementation of resolution II. I urge you all to make every effort to ensure that the goals embodied in this understanding are achieved.

40. In accordance with the understanding we have reached, the following steps will take place during the inter-sessional period:

(a) In accordance with paragraph 6, the Secretary-General will invite the members of the Preparatory Commission to nominate a list of candidates for the group of qualified technical experts. The nomination should indicate the qualifications of the candidates and the specific field of competence. The compilation of this list will be followed by the selection and appointment of the group of technical experts in accordance with the understanding;

(b) The second step will be the submission of revised applications by the first group of applicants by 25 March 1987.

Other procedures will follow as prescribed in the understanding.

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41. It would be remiss of me if I were not to take this opportunity to express my sincere gratitude to each and every one of you for the courtesies and co-operation that you have granted to me as your Acting Chairman. Without the co-operation you have given me either directly or through respective interest groups, we would not have reached the agreement that we have reached today. I would also like to thank all the members of the Secretariat for the assistance and services that they have provided not only to me personally but to the Preparatory Commission and its Special Commissions as a whole. I would like to pay a special tribute to the Special Representative of the Secretary-General for his own untiring efforts in assisting the Commission in its efforts to reach an agreement. Those of us who have worked closely with him know of his sense of integrity and of his special ability in bridging the differences between the different viewpoints. I would like to thank the Executive Secretary, the Secretaries of the Commissions and the Plenary, the interpreters, and all the other supporting staff, without whose support I would not have been able to complete our work.

Fifth session of the Preparatory Commission

42. The Preparatory Commission will hold its fifth session at Kingston from 30 March to 24 April 1987. The Group of 77 will meet, also at Kingston on Monday, 30 March, and on the morning of Tuesday, 31 March 1987. The Commission will decide the venue of its summer meeting at that session.

Annex

STATEMENT ON THE IMPLEMENTATION OF RESOLUTION II

The Commission shall proceed in this matter on the basis of the following understanding:

1. The Preparatory Commission takes note of the information from the first group of applicants that, on the basis of this understanding, France and the Union of Soviet Socialist Republics and Japan and the Soviet Union can resolve the overlaps of the areas in respect of which they have applied for registration as pioneer investors. They have also informed the Commission that the results of their agreements would be reflected in the revised application to be submitted by each of them.

2. France, India, Japan and the USSR will submit to the Secretary-General by 25 March 1987 revised applications in accordance with resolution II and subject to the guidelines set forth in this understanding.

3. The General Committee will meet at the beginning of the second week of the next session of the Preparatory Commission to consider the applications and decide on their registration. Before the General Committee meets, the Chairman will receive reports from all concerned on the progress made on any outstanding issues that may be the subject of inter-sessional discussions and report to the Preparatory Commission on any developments. If the Preparatory Commission is satisfied that substantial progress has been made during the inter-sessional discussions, but that due to lack of time it was not possible to complete the discussions, the Preparatory Commission may decide, at its next session, to prolong the period for discussions, as necessary.

4. The General Committee shall consider the applications taking into account the reports of the group of technical experts. The group of technical experts shall determine whether the applications are in conformity with resolution II, in particular with the principle of equal estimated commercial value, subject to the guidelines and procedures set forth in this understanding and submit a report on each application to the General Committee. In case of there being different opinions, such opinions should be included in the report.

5. The General Committee shall postpone the registration of an application where the total area including the areas referred to in paragraph 13 (1) (c) and (d) below, to be reserved for the conduct of activities by the Authority through the Enterprise or in association with developing countries, is not of equal estimated commercial value until the necessary adjustments are made to achieve this equivalence.

6. The group of technical experts shall be appointed by the Chairman of the Preparatory Commission in consultation with the regional groups and the composition of the group as a whole shall reflect the principle of equitable geographical distribution. The members of the group will be selected from a list compiled by

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the Secretary-General of qualified candidates proposed by the members of the Preparatory Commission. Each member of the Preparatory Commission may propose no more than three candidates not later than 31 October 1986. The membership of the group of technical experts shall include four members representing the first 4 applicants and shall not be more than 15. The expenses of the technical experts shall be borne by the States nominating such experts.

7. The group of technical experts shall meet during the first week of the next session and shall submit its report at the beginning of the second week of the session to the General Committee. Each applicant has the right to appear before the group of experts when its application is being considered. Other applicants of the first group who have an interest in the application being considered may give notice to appear before the group of experts when that application is being considered.

8. The Secretary-General would be authorized to make available the applications with the accompanying data and information for examination by the group of technical experts. The members of the group of technical experts will maintain the confidentiality of the data and information submitted to them, even after the conclusion of their functions.

9. In order to meet certain practical problems and, in particular, to take into account the interests of potential applicants under resolution II, paragraph 1 (a) (ii), an applicant who has practical problems may voluntarily relinquish in advance portions of the application areas simultaneously with its registration as a pioneer investor. The areas relinquished in these circumstances may exceed 75,000 sq kms and shall be without prejudice to paragraph 13 below. The applicants so relinquishing shall be deemed to have complied with the provisions of resolution II, paragraph 1 (e).

10. Applicants who do not have practical problems and do not make voluntary advance relinquishments of areas shall be deemed to have complied with the requirements for relinquishment under resolution II, paragraph 1 (e) upon registration, provided that the total pioneer area allocated to them does not exceed 75,000 sq km.

11. The Preparatory Commission shall allocate according to the procedures specified in resolution II, paragraph 3, to applicants who are not deemed to have complied with the requirements of resolution II, paragraph 1 (e), under paragraphs 9 and 10 above, an area necessary to ensure that each such applicant shall have a pioneer area not exceeding 75,000 sq km after the relinquishment of areas in accordance with resolution II, paragraph 1 (e).

12. The relinquished areas, referred to in paragraph 9, shall remain deposited with the Preparatory Commission and will be reserved to form part of the application areas of potential applicants qualified to apply as pioneer investors under resolution II, paragraph 1 (a) (ii), until the Convention enters into force.

13. The General Committee shall make its decisions relating to the designation of the areas to be reserved for the Authority and the allocation of pioneer areas

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covered by revised applications of the first group of applicants in accordance with the following:

1.(a) The area to be designated in respect of each application as an area to be reserved for the conduct of activities by the Authority through the Enterprise or in association with developing countries shall be not less than one half of the total area applied for by each applicant. In the case where an applicant has relinquished over 75,000 sq km under paragraph 9 above, the area to be reserved for the Authority may be reduced, but in any case it shall not be less than 75,000 sq km.

(b) The areas to be reserved for the Authority in respect of each application shall be of equal estimated commercial value to the respective areas allocated to each applicant.

(c) Applicants with overlapping claims, namely France, Japan and the USSR, shall contribute portions of areas in the north-east Pacific Ocean covered by their respective revised applications that will constitute part of the area to be reserved for the Authority. The areas so contributed may be incorporated in any area for which the Enterprise may wish to submit a plan of work and together they shall be of equal estimated commercial value to at least the average estimated commercial value of the three areas of up to 52,300 sq km to be allocated to the pioneer investors pursuant to paragraph 13 (2).

(d) The contribution to be made by the three applicants for this purpose shall be as follows:

(i) France - an area totalling 20,000 sq km adjacent to its presently overlapping area with the Soviet Union;

(ii) Japan - an area totalling 17,300 sq km adjacent to its presently overlapping area with the Soviet Union;

(iii) Soviet Union - an area totalling 15,000 sq km, 14,549 sq km of which will be from within its presently overlapping areas with France and with Japan and 451 sq km which it obtains from France following adjustment of claims between the two applicants.

2. The total area to be allocated to each applicant shall not exceed 75,000 sq km after any relinquishment of areas referred to in paragraphs 9, 10 and 11 has been made. For the purpose of allocation, each applicant may indicate in its application portions of its application area up to a limit of 52,300 sq km that shall form part of the total area to be allocated to it by the Commission. In addition to the areas indicated by the applicants, the Commission shall allocate, in accordance with resolution II, paragraph 3, an area from their respective application areas necessary to complete the total area to be allocated to each applicant.

3. Notwithstanding the foregoing the registration of India as a pioneer investor shall be made in conformity with resolution II. However, India, like

other applicants, if it so wishes, will identify in its application area an area totalling 52,300 sq km for incorporation in the area of up to 150,000 sq km to be allocated to it as a pioneer area. The provisions on relinquishment in resolution II, paragraph 1 (e), shall apply to the allocated area.

14. Notwithstanding the provisions of paragraph 12 (a) (i) of resolution II, the first group of applicants will assist the Preparatory Commission and the Authority in the exploration of a mine site for the first operation of the Enterprise and in preparing a plan of work in respect of such a mine site. The conditions and extent of this assistance will be discussed and agreed to following registration, applying mutatis mutandis the provisions of paragraph 7 (c) of resolution II.

15. The treatment to be accorded to potential applicants in respect of their applications shall be similar to the treatment given to the first group of applicants provided that potential applicants assume similar obligations to those of the first group of applicants and submit their applications before the entry into force of the United Nations Convention on the Law of the Sea.

16. The procedures and mechanisms outlined in this understanding have been devised in order to overcome practical difficulties in the implementation of resolution II and to facilitate the registration of the first group of applicants as soon as possible.

17. The procedures, mechanisms and provisions of this understanding are essentially designed for the registration of the first group of applicants as pioneer investors under resolution II and constitute an integrated package to be implemented as a whole. They shall be respected by all concerned.

18. These procedures and mechanisms shall not be construed as setting a precedent for the implementation of the régime for sea-bed mining under the Convention, nor do they purport to alter or amend that régime in any way.

19. The procedures and mechanisms that have been outlined above:

(a) Provide the Preparatory Commission with sufficient time to prepare itself to consider and register the pending applications of the first group of applicants as pioneer investors which have submitted applications under resolution II of the Conference on the Law of the Sea;

(b) Provide a timetable which ensures that all meetings of the group of experts and the General Committee will substantially take place during the next session in order not to incur expenditure which has not been budgeted for by the General Assembly;

(c) Provide a timetable which gives ample opportunity for the four applicants to review the data and information relating to their original applications in the light of the procedures and mechanisms outlined above and to submit their revised applications;

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(d) Provide a mechanism for voluntary relinquishment at the time of registration which represents an equitable approach to resolving any practical problems that might be anticipated between any of the first group of applicants and any potential applicants. The time intervening between now and the submission of revised applications will provide an opportunity for those concerned to possibly give more precision to the approach. The Preparatory Commission would encourage such efforts and urge all concerned that this be done in an atmosphere of free and frank discussions, making available to each other at these discussions the necessary data and information. Any results of such endeavours should be taken into account in the revised applications and respected by all concerned;

(e) Provide for similar treatment to be given to potential applicants as that given to the first group of applicants, provided that potential applicants assume similar obligations to those of the first group of applicants, if the former submit their applications before the entry into force of the United Nations Convention on the Law of the Sea.

20. Any developing State that has signed the Convention or any State enterprise or natural or juridical person that possesses the nationality of such State or is effectively controlled by it or its nationals, or any group of the foregoing, shall have the right to apply as pioneer investor under resolution II, until the Convention enters into force.

21. A group of all or several socialist States of Eastern Europe, a/ or a group of State enterprises of such States, shall have the right to apply as pioneer investors in accordance with resolution II for one pioneer area until the United Nations Convention on the Law of the Sea enters into force.

22. The provisions of paragraphs 20 and 21 are without prejudice to the rights acquired upon registration by the first group of applicants as pioneer investors and to the interests of the potential applicants in conformity with this understanding.

Notes

a/ Bulgaria, Byelorussian SSR, Czechoslovakia, German Democratic Republic, Hungary, Poland, Ukrainian SSR and the USSR.

Annex III

STATEMENT OF UNDERSTANDING ON THE IMPLEMENTATION OF RESOLUTION II MADE BY THE CHAIRMAN OF THE PREPARATORY COMMISSION AT THE 34th PLENARY MEETING, HELD ON 10 APRIL 1987*

1. The statement on the implementation of resolution II contained in document LOS/PCN/L.41/Rev.1 was adopted on 5 September 1986 in order to overcome practical difficulties in the implementation of resolution II and to facilitate the registration of the first group of applicants as soon as possible.

2. Paragraphs 2 and 3 of the aforesaid statement read as follows:

> "2. France, India, Japan and the USSR will submit to the Secretary-General by 25 March 1987 revised applications in accordance with resolution II and subject to the guidelines set forth in this understanding.
>
> 3. The General Committee will meet at the beginning of the second week of the next session of the Preparatory Commission to consider the applications and decide on their registration. Before the General Committee meets, the Chairman will receive reports from all concerned on the progress made on any outstanding issue that may be the subject of inter-sessional discussions and report to the Preparatory Commission on any developments. If the Preparatory Commission is satisfied that substantial progress has been made during the inter-sessional discussions, but that due to lack of time it was not possible to complete the discussions, the Preparatory Commission may decide, at its next session, to prolong the period for discussions, as necessary."

3. In their letter dated 19 March 1987 (LOS/PCN/82), the delegations of France, India, Japan and the Soviet Union noted that "progress has been made in intersessional consultations among interested parties to resolve outstanding issues. These consultations have not yet been completed. Accordingly, even though France, India, Japan and the Soviet Union are ready to adhere to the timetable set out in the Statement on the implementation of resolution II for submitting the revised applications for registration as pioneer investors, with a view to facilitating the implementation of the package of understandings contained in the Statement on the implementation of resolution II, the delegations of France, India, Japan and the Soviet Union consider it appropriate that the Preparatory Commission, pursuant to paragraph 3 of the Statement on the implementation of resolution II, extend the time for discussions aimed at settling the outstanding issues, so that revised applications could be submitted not later than a week before the start of the summer meeting of the Preparatory Commission".

4. The delegations of Belgium, Canada, Italy and the Netherlands in their letter dated 20 March 1987 (LOS/PCN/83) confirmed that "meetings were held between

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* Originally issued under the symbol LOS/PCN/L.43/Rev.1.

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themselves and the representatives of the Soviet Union during the intersessional period with a view to settling practical problems in connection with deep sea-bed mining areas which these countries have applied for or may apply for in the future to the Preparatory Commission". They further stated that: "three rounds of consultations were held during the intersessional period and progress was made toward the resolution of outstanding issues. Due to the lack of time, it has not been possible to complete these discussions despite the efforts made to that effect. It will, therefore, be necessary for the Governments concerned to hold additional discussions".

5. Pursuant to paragraph 3 of the understanding, the Chairman was also required "to report to the Preparatory Commission on any developments" during the intersessional period. Accordingly, the Chairman's report on these developments was presented to the Preparatory Commission at its opening meeting and is contained in document LOS/PCN/L.42.

6. Following these communications, the members of the Preparatory Commission have undertaken informal consultations in order to obtain further information on the intersessional meetings that have taken place and to determine whether substantial progress has been made and whether the period for discussions aimed at settling the outstanding issues should be prolonged.

7. From the information provided to the Preparatory Commission by the first group of applicants and the potential applicants, the Commission, while expressing its great concern as to the lack of presentation of the revised applications of France, India, Japan and the USSR, by 25 March 1987, acknowledges that substantial progress has been made and that further time is necessary to complete the discussions which have begun during the intersessional period.

8. Accordingly, the Preparatory Commission decides to extend the time for the submission of revised applications by the first group of applicants. These applications shall be submitted not later than one week prior to the commencement of the summer meeting scheduled to begin on 27 July 1987.

9. An applicant may, upon giving prior notice to the Chairman of the Preparatory Commission, make adjustments to its application in order to facilitate registration any time before the application is examined by the Group of Technical Experts.

10. Unless the Preparatory Commission at the beginning of its next meeting, taking into account the outcome of intersessional consultations on outstanding practical problems, decides otherwise the Group of Technical Experts, established in accordance with the Understanding of 5 September 1986, shall convene at the beginning of the second week of the summer meeting in order to examine the applications submitted for registration and to submit its report to the General Committee.

11. Unless the Preparatory Commission decides otherwise, the General Committee will be convened at the next meeting of the Preparatory Commission to consider the applications and decide on their registration.

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12. Notwithstanding the preceding two paragraphs, the Group of Technical Experts and the General Committee shall meet to consider the registration of the application of India separately. The applications of the other three of the first group of applicants will be considered and registered simultaneously. These procedures will not affect the priority and equal treatment of all the applicants of the first group and are without prejudice to the interests of the potential applicants under resolution II and the Understanding adopted by the Preparatory Commission on 5 September 1986.

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Annex IV

LETTER DATED 3 AUGUST 1987 FROM THE DELEGATIONS OF BELGIUM, CANADA, ITALY, THE NETHERLANDS AND THE UNION OF SOVIET SOCIALIST REPUBLICS ADDRESSED TO THE ACTING CHAIRMAN OF THE PREPARATORY COMMISSION*

Having regard to the statements on the implementation of resolution II adopted at the fourth and fifth sessions of the Preparatory Commission for the International Sea-Bed Authority and for the International Tribunal for the Law of the Sea on 5 September 1986 and 10 April 1987 and contained in documents LOS/PCN/L.41/Rev.1 and LOS/PCN/L.43/Rev.1, respectively, the delegations of Belgium, Canada, Italy, the Netherlands and the Union of Soviet Socialist Republics wish to inform the Preparatory Commission of the meetings between the representatives of their countries held after the fifth session between April and July 1987, with a view to settling practical problems in connection with deep sea-bed areas which those countries have applied for or may apply for in the future to the Preparatory Commission.

Four rounds of meetings have been held which have made it possible to achieve a comprehensive settlement of practical problems. Within the next two weeks our countries intend to formalize this settlement.

Accordingly, extensive technical work will be required to bring the USSR application into conformity with the above-mentioned settlement of practical problems. The USSR estimates that it will be in a position to submit a revised application to the Preparatory Commission towards the end of November 1987. It is suggested that this revised application should then be considered immediately with a view to registration shortly thereafter, in accordance with the above-mentioned statements.

Our delegations would be grateful if the text to this letter were circulated as an official document of the Preparatory Commission.

(Signed) Hugo FONDER
For the delegation of Belgium

(Signed) Philippe KIRSCH
For the delegation of Canada

(Signed) Giorgio Franchetti PARDO
For the delegation of Italy

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* Originally issued under the symbol LOS/PCN/90.

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(*Signed*) Henricus GAJENTAAN
For the delegation of the Netherlands

(*Signed*) Yuri B. KAZMIN
For the delegation of the Union of
Soviet Socialist Republics

Annex V

LETTER DATED 3 AUGUST 1987 FROM THE DELEGATIONS OF FRANCE, INDIA, JAPAN AND THE UNION OF SOVIET SOCIALIST REPUBLICS ADDRESSED TO THE ACTING CHAIRMAN OF THE PREPARATORY COMMISSION*

Having regard to the letter dated 3 August 1987 addressed to you by the delegations of Belgium, Canada, Italy, the Netherlands and the USSR, the delegations of France, India, Japan and the USSR wish to inform the Preparatory Commission of their position on the question of registration of their applications submitted on 20 July pursuant to the Statements on the implementation of resolution II adopted at the fourth and fifth sessions of the Preparatory Commission on 5 September 1986 and 10 April 1987, and contained in documents LOS/PCN/L.41/Rev.1 and LOS/PCN/L.43/Rev.1, respectively.

That letter indicates that a comprehensive settlement of practical problems has been reached between those delegations, that consequently "the USSR estimates that it will be in a position to submit a revised application to the Preparatory Commission towards the end of November 1987", and it suggests "that this revised application should then be considered immediately with a view to registration shortly thereafter, in accordance with the above-mentioned statements".

In this connection, the delegations of France, India, Japan and the USSR share the view that the revised applications of France, Japan and the USSR should be considered immediately after the submission of the revised application of the USSR with a view to registration shortly thereafter, in accordance with the above-mentioned statements, in particular paragraph 12 of LOS/PCN/L.43/Rev.1.

In the meantime, India's application should be examined by the Group of Experts and the General Committee, with a view to its registration during the present session of the Commission.

Our delegations would be grateful if the text of this letter were circulated as an official document of the Preparatory Commission.

(Signed) Michel SUCHOD
For the delegation of France

(Signed) M. M. K. SARDANA
For the delegation of India

(Signed) Tadashi IKEDA
For the delegation of Japan

(Signed) Igor K. KOLOSSOVSKY
For the delegation of the USSR

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* Originally issued under the symbol LOS/PCN/91.

Annex VI

AGREEMENT OF 14 AUGUST 1987 ON THE RESOLUTION OF PRACTICAL PROBLEMS WITH RESPECT TO DEEP SEA-BED MINING AREAS, WITH EXCHANGES OF NOTES*

The Government of Canada, the Government of the Kingdom of Belgium, the Government of the Republic of Italy, the Government of the Kingdom of the Netherlands and the Government of the Union of Soviet Socialist Republics, hereinafter referred to as the "Parties":

Desirous of removing impediments to the universal adherence to the United Nations Convention on the Law of the Sea of 1982;

Intending to resolve practical problems over deep sea-bed mining areas to which this Agreement relates; and

Having held discussions for this purpose between December 1986 and August 1987;

Have agreed as follows:

Article 1

1. The Parties have agreed on lines the co-ordinates of which are shown in annexes II, III and IV to this Agreement for the purpose of resolving practical problems with respect to deep sea-bed mining areas, the co-ordinates of which were exchanged by the Parties in Moscow on 6 December 1986, and are shown in annex I. [not available for reproduction]

2. In this Agreement, "deep sea-bed mining areas" means areas of the deep sea-bed intended for the conduct of exploration and exploitation of hard mineral resources.

Article 2

Each Party shall respect the agreed resolution of practical problems as shown in Annexes II, III and IV to this Agreement.

Article 3

The Parties shall not act, themselves or in association with third parties, in a manner that could prevent registration of an application which is submitted by a Party to the Preparatory Commission for the International Sea-bed Authority and for

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* Source: International Legal Materials, vol. XXVI, No. 6, November 1987, p. 1502.

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the International Tribunal for the Law of the Sea, hereinafter referred to as "the Preparatory Commission", for an area referred to in the Annexes to this Agreement, and which is consistent with respect for the areas specified in the Annexes to this Agreement.

Article 4

1. The Parties shall not act, themselves or in association with third parties, in a manner which could lead to the creation of additional practical problems with respect to the deep sea-bed mining areas referred to in the annexes to this Agreement.

2. Accordingly, the Parties shall not engage in or support deep sea-bed mining in, or seek or support registration in the Preparatory Commission of, a deep sea-bed mining area in a manner incompatible with respect for the areas specified in the annexes to this Agreement.

Article 5

The Parties shall take all measures in conformity with international law and existing legislation to ensure that there is no physical interference with the activities of each other related to exploration and exploitation of hard mineral resources in the deep sea-bed mining areas referred to in the annexes to this Agreement.

Article 6

When necessary, the Parties will consult on the questions connected with the implementation of this Agreement.

Article 7

1. This Agreement shall enter into force on the date of its signature and shall remain in force until otherwise agreed by the Parties. The annexes to this Agreement are an integral part thereof.

2. Any Party may declare, upon signature, that this Agreement shall enter into force for that Party only after notification to all other Parties that all legal requirements have been met. The Agreement shall enter into force for that Party upon receipt of such notification by all other Parties.

DONE at New York this 14th day of August 1987 in five originals, each in the English, French, Dutch, Italian and Russian languages, all texts being equally authentic.

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The lines the co-ordinates of which are shown in the annexes to the Agreement on the Resolution of Practical Problems with Respect to Deep Sea-bed Mining Areas, signed on 14 August 1987, shall be geodesic and shall define each boundary by the geodetic co-ordinates of the turning points in accordance with the World Geodetic System 1972.

Note: The above is an oral statement made by the head of the Canadian delegation at the signing of the above-mentioned agreement. The statement was agreed to by all delegations.

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Declaration by the Government of the Kingdom of the Netherlands

New York, 14 August 1987

On the occasion of the signing today of the Agreement on the Resolution of Practical Problems with Respect to Deep Sea-bed Mining Areas, and with reference to article 7, paragraph 2, of the said Agreement, I have the honour to declare on behalf of the Government of the Kingdom of the Netherlands that the above-mentioned Agreement shall enter into force for the Kingdom of the Netherlands only after a notification of the Netherlands Government to all other Parties to the said Agreement that all legal requirements in the Kingdom of the Netherlands have been met.

For the delegation of the Netherlands,

Henricus GAJENTAAN

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Declaration by the Government of the Kingdom of Belgium

New York, 14 August 1987

Declaration under article 7 (2)

I have the honour to state the following on behalf of the Government of the Kingdom of Belgium:

1. As far as the Government of the Kingdom of Belgium is concerned, the Agreement on the Resolution of Practical Problems with respect to Deep Sea-bed Mining Areas, signed in New York on 14 August 1987 will be in force as of the date of signature.

2. The said Agreement will come fully into effect for physical and juridical persons acting under Belgian law as soon as notification will have been received by all other Parties that the relevant national legislation has been passed.

3. The Government of the Kingdom of Belgium will take steps to introduce such legislation immediately after the signing of the said Agreement, with a view to allow[ing] its early adoption by Parliament, if possible within several months after the date of introduction of such legislation.

(Signed) Hugo FONDER
Head of delegation

/...

Exchange of Notes between the United States (with consortia interest and LOS non-signatory) and the Soviet Union (LOS signatory)

I

MFA/107/87

The Embassy of the United States of America has the honor to refer the Ministry of Foreign Affairs of the Union of Soviet Socialist Republics to the understanding reached among representatives of the United States of America, the Federal Republic of Germany, the Union of Soviet Socialist Republics, and the United Kingdom of Great Britain and Northern Ireland in New York on September 3, 1986.

In this connection, the Embassy has the honor to state on behalf of the Government of the United States of America that, on the understanding that the Soviet side shall be bound by the provisions of the Agreement on the Resolution of Practical Problems with Respect to Deep Sea-bed Mining Areas signed in New York on August 14, 1987 by representatives of Belgium, Canada, Italy, the Netherlands, and the Union of Soviet Socialist Republics, the United States side also shall be bound by the provisions of that Agreement in the same manner as other Parties to that Agreement are bound by its provisions to the Soviet Party.

Nothing in the above-referenced Agreement, this Note, or the Note of the Ministry in reply, nor acts or activities taking place pursuant thereto, shall prejudice the position of either side with respect to the United Nations Convention on the Law of the Sea of 1982.

If it is acceptable to the Soviet side, this Note and the Note in reply from the Ministry shall constitute an Agreement between the two Governments which shall enter into force upon the date of the Note in reply from the Ministry, and which shall remain in force for the duration of the Agreement on the Resolution of Practical Problems with Respect to Deep Sea-bed Mining Areas or until otherwise agreed by the two sides, whichever is the later.

Embassy of the United States of America

Moscow, August 14, 1987

II

The Ministry of Foreign Affairs of the Union of Soviet Socialist Republics confirms receipt of note No. MFA/107/87 of 14 August 1987 from the Embassy of the United States of America in Moscow, which reads as follows:

[See Note I]

/...

On behalf of the Government of the Union of Soviet Socialist Republics, the Ministry has the honour to state to the Embassy that the Soviet side is willing to regard the above-referenced Note of the Embassy and this reply thereto as an Agreement between the two Governments which shall enter into force upon the date of this Note of the Ministry, and which shall remain in force for the duration of the Agreement on the Resolution of Practical Problems with Respect to Deep Sea-bed Mining Areas or until otherwise agreed by the two sides, whichever is the later.

[Seal of the Ministry of Foreign Affairs of the USSR]

Moscow, 14 August 1987

Exchange of Notes between the United States (LOS non-signatory) and the Netherlands (LOS Western signatory)

I

EMBASSY OF THE UNITED STATES OF AMERICA

No. 75

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs of the Kingdom of the Netherlands and has the honor to refer to the Agreement on the Resolution of Practical Problems with Respect to Deep Sea-bed Mining Areas concluded at New York on August 14, 1987, between the Governments of the Kingdom of Belgium, Canada, the Republic of Italy, the Kingdom of the Netherlands and the Union of Soviet Socialist Republics and the Exchange of Notes relating to that Agreement dated August 14, 1987, between the United States and the Union of Soviet Socialist Republics. In this connection the Embassy has the honor to propose that the Government of the Kingdom of the Netherlands shall not take steps to terminate that Agreement and the Government of the United States shall not take steps to terminate the agreement concluded by that Exchange of Notes, except by common accord of the Government of the Kingdom of the Netherlands and the Government of the United States.

If it is acceptable to the Government of the Kingdom of the Netherlands, this Note and the Note in reply shall constitute an agreement between the two Governments which shall enter into force on the date on which the Government of the United States will receive from the Government of the Kingdom of the Netherlands a notification of the completion of the constitutional requirements in the Kingdom of the Netherlands.

The Embassy of the United States of America takes this opportunity to renew to the Ministry of Foreign Affairs the assurances of its highest consideration.

The Hague, August 14, 1987

II

MINISTRY OF FOREIGN AFFAIRS

THE HAGUE

Treaties Department
DVE/VV-200477

The Ministry of Foreign Affairs presents its compliments to the United States Embassy and has the honour to acknowledge receipt of the Embassy's Note No. 75, dated 14 August 1987, which reads as follows:

[See Note I]

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In reply, the Ministry has the honour to inform the Embassy that the above proposal is acceptable to the Government of the Kingdom of the Netherlands, who therefore agree that the Embassy's Note together with this reply to that effect shall constitute an Agreement between the two Governments which shall enter into force on the date on which the Government of the Kingdom of the Netherlands has notified the Government of the United States of America that the procedures constitutionally required therefor have been completed in the Kingdom of the Netherlands.

14 August 1987

To the United States Embassy
The Hague

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Annex VII

SECRETARY-GENERAL'S STATEMENT TO THE PREPARATORY COMMISSION ON SETTLEMENT REACHED CONCERNING DEEP SEA-BED MINE SITE CLAIMS*

I wish to express my great satisfaction at the settlement through negotiation of the conflicts that had occurred in the claims for deep sea-bed mine sites. The Third United Nations Conference on the Law of the Sea, in its resolution II, had identified a number of States and private consortia as potential applicants having the right to register their claims as pioneer investors with the Preparatory Commission for the International Sea-Bed Authority and for the International Tribunal for the Law of the Sea pending the entry into force of the United Nations Convention on the Law of the Sea. In order to do so, they had, however, to resolve their conflicts with respect to overlapping claims, which were extensive, in view of the fact that most of the sites selected were to be found in the same area of the North Pacific Ocean.

All such conflicts have now been resolved, allowing for the early registration of pioneer investors. This augurs well for the orderly development of deep sea-bed mineral resources as foreseen by the United Nations Convention on the Law of the Sea.

I know that the settlement of the problems that had arisen was not easy for a number of reasons. It had to take into account the substantial financial expenditure incurred by each party and the considerable commercial interest they have in the mine sites which they claim. There was also the interrelationship between the work being done in the Preparatory Commission for the International Sea-Bed Authority and for the International Tribunal for the Law of the Sea and the bilateral and multilateral negotiations being pursued simultaneously on the resolution of conflicts.

Throughout the process of negotiations to resolve the overlapping claims, I was kept informed by my Special Representative for the Law of the Sea, who provided such encouragement and assistance to the parties as appropriate.

As Secretary-General, I would like to pay tribute to all concerned in the negotiations, for they have displayed a constructive spirit of compromise and co-operation. For its part, the Preparatory Commission is to be congratulated for the patience and wisdom it has exhibited in dealing with this difficult and delicate matter.

The latest agreement, together with those reached earlier among three of the applicants, represents one of the most significant developments in the law of the sea since the adoption of the Convention. It not only resolves the immediate

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* Originally issued as a press release of the Department of Public Information of the United Nations Secretariat under the symbol SG/SM/4022-SEA/845.

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specific problem of overlaps, but bodes well for the future of the Convention and paves the way towards reconciliation in respect of those matters relating to the régime for deep sea-bed mining which have prevented a number of States from signing the Convention. As I have said before, in my capacity as Secretary-General of the United Nations, I stand ready to assist States in this regard.

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Annex VIII

STATEMENT MADE BY THE ACTING CHAIRMAN OF THE PREPARATORY COMMISSION AT THE 37th PLENARY MEETING, HELD ON 6 AUGUST 1987*

1. During the past 10 days, I have been consulting extensively on two matters of priority to which the Preparatory Commission attaches great importance: the registration of the four applicants for pioneer status under resolution II; and the election of a new Chairman to succeed Mr. Joseph S. Warioba.

I. REGISTRATION UNDER RESOLUTION II

2. On the first issue, regarding the registration of pioneer investors, I would like to inform the Preparatory Commission that, in accordance with the statement of understanding of 10 April 1987 (LOS/PCN/L.43/Rev.1), which was based on the earlier understanding reached on 5 September 1986 (LOS/PCN/L.41/Rev.1), the revised applications by the four applicants, namely France, India, Japan and the Soviet Union, were submitted to the Secretary-General on 20 July 1987.

3. It should be recalled, that, in accordance with the understanding of 10 April 1987, unless the Preparatory Commission decided otherwise, the Group of Technical Experts had to be convened at the beginning of the second week of the present meeting of the Commission in order to examine and report on the applications submitted for registration.

4. Accordingly, the Group of Technical Experts has been convened and has begun its meeting as of Monday, 3 August 1987. However, in the light of the recent developments, the Group of Technical Experts is unable at this time to examine all the revised applications submitted by the four applicants. As you are aware, negotiations aimed at resolving all pending practical problems have been in progress since the last session of the Preparatory Commission and have just recently been successfully concluded. I am gratified to inform the Preparatory Commission that the first applicants and the potential applicants have reported that a comprehensive settlement of practical problems has been achieved (see documents LOS/PCN/90 and LOS/PCN/91). This very positive outcome ensures that all applications submitted will now be considered by the Group of Technical Experts and the General Committee with a view to their registration. However, because of the short lapse of time since the negotiations were concluded and the need for adjustment of at least one of these applications in order to conform to the terms of the agreement, the date of consideration of the applications of France, Japan and the Soviet Union will have to be deferred. It should be noted that it was already agreed that these applications will be considered for registration together.

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* Originally issued under the symbol LOS/PCN/L.49.

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5. You will further recall that, in accordance with the understanding of 10 April 1987, the Preparatory Commission also decided that in any event the Group of Technical Experts and the General Committee shall consider the application of India during the current meeting. Thus the Group of Technical Experts has commenced the examination of this application.

6. The applications of France, Japan and the Soviet Union will be considered for registration as soon as the necessary technical adjustments have been made. These adjustments should be completed and the applications should be submitted to the Secretary-General not later than 15 November 1987.

7. Accordingly, arrangements are being made to convene a second meeting of the Group of Technical Experts beginning on 23 November 1987. The General Committee will be convened from 7 December 1987, with a view to completing registration not later than 30 December 1987.

8. In the light of the above information, I take it that the Preparatory Commission agrees to the deferment of consideration of the applications of France, Japan and the Soviet Union in accordance with the above-mentioned dates. The Commission also takes note that the application of India is currently being examined by the Group of Technical Experts, which will submit its report to the General Committee with a view to the registration of that application later during the current meeting.

II. ELECTION OF CHAIRMAN

9. Taking into account the United Nations practice, the Preparatory Commission, without prejudice to its rules of procedure, reaffirms the traditional practice of nomination of candidates to specific posts in the bureau of the plenary and in the special commissions. This practice has been followed both in the Third United Nations Conference on the Law of the Sea and in the Preparatory Commission, and is based on the sovereign equality of States and the equal status of regional groups. According to this practice, before a candidate of a regional group for any important office of the Preparatory Commission is officially presented, there should be extensive consultations on the candidate among all the regional groups, and the views of all the regional groups should be taken into account, thus allowing for the possibility of reaching a decision by consensus. This practice was outlined in the relevant paragraphs of the statement by the Acting Chairman on 8 April 1983 (LOS/PCN/3).

10. On this basis, I would like to state that the Commission is ready to elect as Chairman the nominee of the African Group, Mr. José Luis Jesus from the delegation of Cape Verde.

11. Accordingly, I take it that the Commission elects Mr. Jesus as its Chairman, by acclamation.

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Annex IX

REPORT OF THE CHAIRMAN OF THE PREPARATORY COMMISSION ON THE MEETING OF THE GENERAL COMMITTEE HELD ON 7-18 DECEMBER 1987 TO CONSIDER THE APPLICATIONS SUBMITTED BY FRANCE, JAPAN AND THE UNION OF SOVIET SOCIALIST REPUBLICS FOR REGISTRATION AS PIONEER INVESTORS UNDER RESOLUTION II*

1. Pursuant to rule 14, paragraph 3, of the rules of procedure of the Preparatory Commission, which stipulates that the General Committee shall act on behalf of the Preparatory Commission as the executive organ for the implementation of resolution II of the Third United Nations Conference on the Law of the Sea, the General Committee was convened on 7 December 1987 to consider the applications submitted by:

(a) The Government of the Republic of France, on behalf of Institut Français de Recherche pour l'Exploitation de la Mer (IFREMER), acting on behalf of Association Française d'Etudes et de Recherche des Nodules (AFERNOD);

(b) The Government of Japan, on behalf of the Japanese enterprise "Deep Ocean Resources Development Co., Ltd." (DORD);

(c) The Government of the Union of Soviet Socialist Republics, on behalf of the Soviet State enterprise "Yuzhmorgeologiya";

for registration as pioneer investors, in accordance with the decisions of the Preparatory Commission contained in documents LOS/PCN/L.49, paragraph 6, and LOS/PCN/L.54/Rev.1, paragraph 42.

2. The Group of Technical Experts, which was established in accordance with the statements contained in documents LOS/PCN/L.41/Rev.1, annex, and LOS/PCN/L.43/Rev.1 to assist the General Committee in its consideration of the above-mentioned applications, met from 23 November to 5 December 1987.

3. During its meetings, the Group of Technical Experts undertook an examination of the applications submitted by France, Japan and the Union of Soviet Socialist Republics to determine whether the applications were in conformity with resolution II of the Third United Nations Conference on the Law of the Sea, in particular with the principle of equal estimated commercial value, subject to the guidelines and procedures set forth in the statements contained in documents LOS/PCN/L.41/Rev.1 and LOS/PCN/L.43/Rev.1.

4. In accordance with its mandate, the Group of Technical Experts submitted to the General Committee its reports on the applications submitted by France, Japan and the Union of Soviet Socialist Republics (LOS/PCN/BUR/R.2, LOS/PCN/BUR/R.3 and LOS/PCN/BUR/R.4).

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* Originally issued under the symbol LOS/PCN/L.55.

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5. In those reports the Group of Technical Experts unanimously concluded that the applications submitted by France, Japan and the Union of Soviet Socialist Republics had been submitted in accordance with resolution II and the statements contained in documents LOS/PCN/L.41/Rev.1, annex, and LOS/PCN/L.43/Rev.1. Further, in respect of the areas to be reserved for the Authority and those to be allocated to the applicants as pioneer areas, the Group of Technical Experts also concluded that:

(a) Based on the results of investigations and analysis of the data available at the present level of prospecting and exploration for polymetallic nodules, both areas offer similar potentials in terms of finding competitive mine-sites in the respective areas. Accordingly, the estimated commercial value of the area proposed to be reserved for the Authority may thus be considered equal to the estimated commercial value of the area proposed to be allocated to the applicant;

(b) The estimated commercial value of the combination of the contributed areas may be considered to be equal to the average of the estimated commercial value of the areas identified by each of the three applicants.

Recommendations of the Group of Technical Experts on the application submitted by France

6. The Group of Technical Experts recommended that:

(a) The area consisting of Sector A_1 (20,180 sq km in the central region), Sector B_2 (3,550 sq km in the central region), Sector C_1 (22,350 sq km in the western region) and Sector A_2 (109,360 sq km in the western region), with a total of 155,440 sq km, should be designated as the reserved area;

(b) The area consisting of Sector F_1 (43,960 sq km in the central region), Sector F_2 (8,330 sq km in the western region), Sector B_1 (4,960 sq km in the central region) and Sector C_2 (17,750 sq km in the western region), with a total of 75,000 sq km, should be designated as the pioneer area to be allocated to the applicant (LOS/PCN/BUR/R.2).

Recommendations of the Group of Technical Experts on the application submitted by Japan

7. The Group of Technical Experts recommended that:

(a) The area consisting of Sector CONT (17,300 sq km in the central region), Sector B_2 (15,900 sq km in the eastern region), Sector B_1 (6,800 sq km in the western region), Sector AT_1 (43,500 sq km in the western region), Sector AT_2 (23,100 sq km in the western region), Sector AT_3 (36,800 sq km in the western region) and Sector AT_4 (6,600 sq km in the central region), with a total of 150,000 sq km, should be designated as the reserved area;

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(b) The area consisting of Sector SA_1 (34,300 sq km in the western region), Sector SA_2 (18,000 sq km in the central region) and Sector A (22,700 sq km in the western region), with a total of 75,000 sq km, should be designated as the pioneer area to be allocated to the applicant (LOS/PCN/BUR/R.3).

Recommendations of the Group of Technical Experts on the application submitted by the Union of Soviet Socialist Republics

8. The Group of Technical Experts recommended that:

(a) The area consisting of Sector II (15,000 sq km in the central region), Sector X_1 (8,940 sq km in the central region), Sector X_2 (13,760 sq km in the western region), Sector VI_1 (46,267 sq km in the western region) and Sector VI_2 (48,361 sq km in the western region), with a total area of 132,328 sq km, should be designated as the reserved area;

(b) The area consisting of Sector III (52,300 sq km in the central region), Sector Y_1 (8,940 sq km in the central region) and Sector Y_2 (13,760 sq km in the western region), with a total of 75,000 sq km, should be designated as the pioneer area to be allocated to the applicant (LOS/PCN/BUR/R.4).

Consideration of the reports of the Group of Technical Experts by the General Committee

9. The General Committee met in eight closed meetings restricted to members of the Committee. Two of these meetings were formal meetings and six were informal. The Committee held an open meeting on the afternoon of 17 December 1987.

10. The General Committee had before it the reports of the Group of Technical Experts (LOS/PCN/BUR/R.2-4). In addition, the applicants had released for the information of the General Committee parts of their respective applications contained in documents LOS/PCN/BUR/INF/R.2-4 and 6-7.

11. Prior to the meeting of the General Committee, informal briefing meetings were held at which the spokesmen for the Group of Technical Experts clarified the work of the Group and the basis on which it reached its recommendations.

12. The General Committee undertook a careful and lengthy examination of the reports of the Group of Technical Experts. Observations were made by several delegations. In considering the reports, many questions were posed and points of clarification and information were sought.

13. It was noted that it was due to the complex configuration of the claims that the applications had been submitted only after a lengthy and arduous period of negotiations to resolve conflicts with respect to overlapping claims.

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14. During the meetings of the General Committee several questions were raised - questions relating to the adequacy of the data submitted by the applicants, considering in particular the differences in the number and nature of the sample locations used by the applicants; to the factors considered by the Group of Technical Experts in estimating the commercial values of various areas; to the manner in which the Group was able to reach similar conclusions on the issue of equal estimated commercial value with respect to the three applications, despite different information and somewhat different situations; and questions relating to differences between these applications and the Indian application.

15. In addition, in the General Committee questions were posed concerning, inter alia, the methodology utilized by the Group of Technical Experts and the terms used in the report. Questions were also raised as to the amount of money expended in prospecting activities by the applicants.

16. In the meeting of the General Committee some delegations proposed that there should be a safeguard clause whereby the pioneer investors would pay compensation if the area reserved for the Authority turns out not to be of equal estimated commercial value to that of the area allocated to the applicants. Certain delegations, including the certifying States, declared that this idea was alien to the pioneer system as embodied in resolution II and therefore was totally unacceptable.

17. It was observed that there was a difference in the wording used in the report of the Group of Technical Experts on the Indian application in certifying commercial equivalence from that used in the three reports which were before the Committee. It was also noted that the data submitted for some sectors of the proposed pioneer areas were generally more comprehensive than the data submitted for some sectors of the area proposed to be reserved for the Authority.

18. Certain delegations pointed out that these questions were important to the General Committee since it had to satisfy itself that the Authority, in accordance with the provisions of resolution II, would receive areas of equal estimated commercial value to those of the applicants. This was not only fundamental to the parallel system of exploitation embodied in the Convention, but was also of paramount importance for the viability of the international sea-bed régime contained in the United Nations Convention on the Law of the Sea.

19. Responses to these questions were given and clarification and information were provided by the spokesmen of the Group of Technical Experts as well as by the pioneer investors during informal briefing sessions and in the meeting of the General Committee itself.

20. During the meeting of the General Committee the issue of the effectiveness of control by Japan over "Deep Ocean Resources Development Co., Ltd." (DORD) was raised. It was pointed out that, in accordance with the application submitted by Japan, the company had been registered in Japan and is a juridical person which possesses Japanese nationality. The Japanese delegation stated that the Government of Japan exercises effective control over "Deep Ocean Resources Development Co., Ltd." (DORD) through its national laws and regulations and, in addition, holds a

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70 per cent interest in the corporation. France also confirmed that the Institut Français de Recherche pour l'Exploitation de la Mer (IFREMER), acting on behalf of Association Française d'Etudes et de Recherche des Nodules (AFERNOD), had French nationality and French Government participation. In response to the view put forward that the deciding factor was not the nationality of the company but the effective control by the certifying State, the attention of the General Committee was drawn to the fact that resolution II required that a pioneer investor should either possess the nationality of the certifying State or be effectively controlled by it or its nationals.

21. Certain delegations stressed the importance of ensuring that pioneer activities should be conducted in accordance with the principles relating to the preservation of the marine environment as set forth in the United Nations Convention on the Law of the Sea. The view that pioneer activities should be conducted in a manner compatible with the Convention was also emphasized.

22. After an examination of the reports of the Group of Technical Experts, the General Committee proceeded to consider and approve agreed texts of the decisions on registration.

23. Having considered the applications submitted by France, Japan and the Union of Soviet Socialist Republics in the light of the reports of the Group of Technical Experts, taking into account the further information and clarification provided during the discussion, the General Committee decided to approve the recommendations embodied in the reports of the Group of Technical Experts (LOS/PCN/BUR/R.2-4) as contained in documents LOS/PCN/97-99.

24. At an open meeting of the General Committee the Chairman read out the decisions of the Committee on the applications submitted by the Governments of France, Japan and the Union of Soviet Socialist Republics for registration as pioneer investors under resolution II (LOS/PCN/97-99).

25. Following this, the Chairman of the Preparatory Commission read out the following statement:

> "The General Committee is of the view that, as a result of registration, certain rights accrue to the pioneer investors and, at the same time, certain obligations flow from registration for the pioneer investors and the certifying States, in particular under paragraphs 4, 5, 7 and 12 of resolution II and the statement contained in LOS/PCN/L.41/Rev.1, annex."

26. As a consequence of the registration of the pioneer investors in accordance with paragraphs 9 and 12 of the statement contained in LOS/PCN/L.41/Rev.1, annex, certain areas have been voluntarily relinquished upon registration and deposited with the Preparatory Commission. These will be reserved to form part of the application areas of potential applicants qualified to apply as pioneer investors under resolution II, paragraph 1 (a) (ii), until the Convention enters into force.

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27. The registration of the first group of pioneer investors constitutes an important phase in the implementation of resolution II. It also represents a significant landmark in the implementation of the pioneer system, thus strengthening the régime for the international sea-bed as embodied in the United Nations Convention on the Law of the Sea.

28. The General Committee expressed its gratitude to the Group of Technical Experts for the comprehensive reports on the three applications, which considerably facilitated the work of the General Committee. The General Committee also wishes to thank the spokesmen of the Group of Technical Experts, Mr. Luis G. Preval Páez (Cuba) and Dr. T. R. P. Singh (India), for the excellent and helpful manner in which they explained the reports of the Group and in particular the basis on which it reached its recommendations.

29. Finally, the General Committee also expressed its appreciation to the Secretariat staff for their assistance and efforts in facilitating the work of the Group of Technical Experts and the work of the General Committee.

Annex X

UNDERSTANDING ON THE FULFILMENT OF OBLIGATIONS BY THE REGISTERED PIONEER INVESTORS AND THEIR CERTIFYING STATES*

1. This understanding applies to the four registered pioneer investors, namely, the Government of the Republic of India, the Institut Francais de Recherche pour l'Exploitation de La Mer (INFREMER), the Deep Ocean Resources Development Co. Ltd. (DORD), and the Soviet State enterprise Yuzhmorgeologiya, and to their respective certifying States, namely, India, France, Japan and the Union of Soviet Socialist Republics.

2. The four pioneer investors shall provide training pursuant to paragraph 12 (a) (ii) of resolution II in conformity with the specific programme for training approved by the Preparatory Commission in accordance with the Principles, Policies and Guidelines contained in documents LOS/PCN/SCN.2/L.6/Rev.1 and LOS/PCN/SCN.2/L.7 and taking into account the report contained in document LOS/PCN/BUR/R.6. It is agreed that the cost of such training shall be borne by the four registered pioneer investors and shall be free of cost to the Preparatory Commission. The precise number of trainees, the duration and the fields of training shall be agreed upon between the Preparatory Commission and each registered pioneer investor according to its capabilities. It is further agreed that the first group of trainees shall consist of no less than 12 individuals.

3. In accordance with paragraph 12 (a) (iii) of resolution II, the four registered pioneer investors undertake to perform the obligations prescribed in the Convention relating to the transfer of technology, and further agree that training in the use of all available technology shall constitute a substantial component of the training programme referred to in paragraph 2 above.

4. The periodic expenditures for exploration to be incurred in accordance with paragraph 7 (c) of resolution II by the four registered pioneer investors in respect of the development of their respective pioneer areas shall be determined by the Preparatory Commission in consultation with and with the co-operation of each registered pioneer investor within 12 months of the adoption of this understanding. Such expenditures shall be reviewed by the Preparatory Commission from time to time in consultation with and with the co-operation of the registered pioneer investor concerned.

5. Each of the four certifying States agrees to provide, in accordance with article 12 (b) (ii) of resolution II, periodic reports to the Commission on the pioneer activities as defined in paragraph 1 (b) of resolution II, carried out by it or by its entities or natural or juridical persons in their respective pioneer areas. Such reports shall be provided annually.

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* Originally issued under the symbol LOS/PCN/L.87, annex.

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6. The Commission recognizes that the obligation of each certifying State under paragraph 12 (b) (i) of resolution II is to be implemented upon entry into force for that State of the 1982 United Nations Convention on the Law of the Sea.

7. Regarding paragraph 14 of the statement on the implementation of resolution II (LOS/PCN/L.41/Rev.1, annex), and taking into account the plan for exploration prepared by the Group of Technical Experts (LOS/PCN/BUR/R.5) for one mine site in the areas reserved for the Authority, the three registered pioneer investors whose pioneer areas are located in the North-East Pacific (France, Japan and the Soviet Union) shall undertake in respect of the areas specified in the plan for exploration referred to above the following activities:

(a) Preparatory work in accordance with paragraphs 9 to 15 of LOS/PCN/BUR/R.5;

(b) Stage I of the plan for exploration in accordance with paragraphs 25 to 35 of LOS/PCN/BUR/R.5.

8. (a) The preparatory work referred to in paragraph 7 of this understanding shall begin to be implemented no later than six months following the adoption of this understanding and shall be completed in accordance with paragraph 15 of LOS/PCN/BUR/R.5. Upon completion of the preparatory work the results shall be submitted to the Preparatory Commission;

(b) The work for stage I of the plan for exploration shall begin to be implemented no later than the end of the second fiscal year after the completion of the review of the results of the preparatory work by the Group of Technical Experts in accordance with paragraph 17 of LOS/PCN/BUR/R.5, and shall be completed within three years of the commencement of that stage in accordance with paragraph 34 of document LOS/PCN/BUR/R.5;

(c) The cost of the preparatory work and stage I of the plan of exploration shall be borne by the three registered pioneer investors and shall be free of cost to the Preparatory Commission.

9. As regards the implementation of stage II of the exploration plan (LOS/PCN/BUR/R.5) for the area reserved for the Authority by the three pioneer investors, it is the understanding that this will be agreed upon following the completion of stage I and the review of the results obtained, and taking into account the decision of any pioneer investor to undertake stage II of the plan of exploration in the areas allocated to it. The terms and conditions for such further exploration shall be agreed upon in accordance with resolution II, paragraph 12 (a) (i).

10. Provided that the obligations under paragraphs 2, 7 and 8 above have been satisfactorily complied with, the obligations of the three registered pioneer investors, France, Japan and the Soviet Union, under resolution II, paragraph 7 (b), to pay $US 1 million per annum shall upon the completion of stage I of the exploration plan be waived as of the date of their registration.

11. India, which has its pioneer area in the South Central Indian Ocean, will undertake, if so requested by the Preparatory Commission, a programme of exploration in accordance with the provisions of resolution II, paragraph 12 (a) (i), of one mine site for the Enterprise in the area reserved for the Authority in the Indian Ocean and, as part of the overall understanding contained in the present document, the obligation of India under the provisions of paragraph 7 (b) of resolution II shall be waived as of the date of its registration.

12. Within three months of the deposit of the sixtieth instrument of ratification or accession, the Group of Technical Experts established in accordance with paragraph 6 of document LOS/PCN/L.41/Rev.1, annex, shall review the state of the deep sea-bed mining and make an assessment of the time when commercial production may be expected to commence. If, as a result of the review and the assessment, the Group of Technical Experts concludes that commercial production will not take place for an extended period of time, the Preparatory Commission shall recommend to the Authority that the annual fixed fee payable under annex III, article 13, paragraph 3, be waived for a relevant period.

13. Each registered pioneer investor participating in the activities under paragraph 7 of the present understanding shall submit a comprehensive annual report to the Preparatory Commission on the type and extent of activities undertaken by it and details of expenditures incurred during that year, as well as a list of data and information, gathered as a result of these activities.

14. The details of the data and information gathered as a result of the exploration activities under paragraph 7 of this understanding and the analysis thereof by the registered pioneer investors shall be deposited for safe-keeping with the Secretary-General of the United Nations on a regular basis. Such data, information and analysis shall be presented for review and evaluation to a group of technical experts to be convened by the Preparatory Commission, in the manner specified in paragraph 6 of LOS/PCN/L.41/Rev.1, annex, except that the expenses associated with the meetings of the experts (e.g., travel, per diem and cost of miscellaneous supplies required for the work of the group) shall be paid from the registration fees received by the Preparatory Commission from the registered pioneer investors. The group of technical experts shall be convened upon the completion of the preparatory work referred to in paragraphs 9 to 17 of document LOS/PCN/BUR/R.5 and thereafter as required by the Preparatory Commission to undertake the technical review under the plan of exploration referred to above. The group of technical experts shall submit a report to the Preparatory Commission on the compliance by each registered pioneer investor with the terms of this understanding.

15. In accordance with resolution II, paragraph 7 (b), the Authority shall take into account the provisions of this understanding when negotiating the financial terms of contract and make adjustments in the financial arrangements with each registered pioneer investor, as appropriate. In doing so, the Authority shall take into consideration the early registration and satisfactory performance by each of the four registered pioneer investors of their respective obligations hereunder.

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16. Paragraphs 7 and 8 of this understanding are without prejudice to the provisions of paragraph 12 (a) (i) of resolution II.

17. Taking into account paragraph 19 (e) of the statement on the implementation of resolution II (LOS/PCN/L.41/Rev.1, annex), the Preparatory Commission or the Authority shall enter into arrangements similar to those contained in this understanding with any other registered pioneer investor or applicant.
